

The NATIONAL UNDERWRITER

Life Insurance Edition



LE ROY RADLOFF

At year-end LeRoy Radloff had completed 10 full years with the friendly Franklin. In his own words, another 10 years like the past will give him a high degree of financial independence. Here is a record of his cash earnings since becoming a Franklinite:

1945 (9½ months) .	\$ 6,629
1946	14,778
1947	15,038
1948	14,732
1949	16,947
1950	17,740
1951	21,228
1952	23,987
1953	22,728
1954	27,397
1955	26,479



An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Two Billion Dollars of Insurance in Force

FRIDAY, JUNE 1, 1956

Mr. Agency Builder:-

How Happy Can You Be?

You'll Never Know Until You

Investigate

NEW
Golden Rule



A NEW DAY



NEW
Golden Rule



YOUR
GOLDEN
OPPORTUNITY

with

The GOLDEN RULE COMPANY

3
of the
10 BIG
REASONS



TOP COMMISSION on 15 leading contracts.
Long term vested renewals. Cash bonus
and extra renewals to your agents for
recommending new agents.



MONEY-MAKING SALES PACKAGES. New!
Colorful! Dynamic! Plus a new, easy-to-
use Brain-Book and Brain-Kit. Your
agents can't miss!



PACKAGED TRAINING PLANS. New! Amaz-
ingly simple! Easy to use! A quick
money-maker for new or old agents!

Ask for Other Reasons-INQUIRIES HELD CONFIDENTIAL

THE COLUMBUS MUTUAL
LIFE INSURANCE COMPANY
Columbus 16, Ohio

Frederick E. Jones, Pres. Ben F. Hadley, Vice-Pres. & Sup't. of Agents

Agency Building
Opportunities in:

Arizona, California, Delaware, Florida,
Georgia, Illinois, Indiana, Iowa, Kan-
sas, Kentucky, Maryland, Michigan,
New Jersey, North Carolina, Ohio,
Pennsylvania, Texas, Virginia, Wash-
ington D. C., and West Virginia.

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 22
June 1, 1956

O. F. Stafford Takes Over Reins of Life Insurers Conference

Many-Faceted Program Sets Attendance Mark at White Sulphur Springs

By GEORGE WOHLGEMUTH

WHITE SULPHUR SPRINGS—O. F. Stafford, president of Pilot Life, was elected president of Life Insurers Conference at the meeting here which drew a record-breaking attendance of 345, representing 71 member companies, conference staff, and guests. The program reflected the interest of the executives attending in the federal income tax, state and federal legislation, and other issues and problems of the business and in the federal trade commission investigation of accident and health trade practices and other developments in that field.

Peoples Life of Washington, D.C., and Coastal Plain Life of Rocky Mount, N.C., were elected members, bringing total membership to 94. The 1957 meeting will be held at the Carolina hotel, Pinehurst, N.C.

Reporting on an active year during his administration, President H. G. Zelle, chairman of Life of Missouri, said that he had attended every industry committee of major importance during the year. As a result of this experience, he said, "I can repeat to you that our segment of the business has made a definite contribution and enjoys today a position industry-wide higher than ever before, and one that could not even have been dreamed of 10 years ago."

Three activities requiring much attention during the year were the federal income tax problem of the life

NEW OFFICERS

President—O. F. Stafford, president Pilot Life.

1st vice-president—J. I. Cummings, president Empire Life & Accident.

2nd vice-president—R. B. Evans, president Colonial Life.

Secretary—John T. Acree Jr., president Lincoln Income Life.

Directors—(three years) Guilford Dudley Jr., Life & Casualty; C. H. Kendall, Washington National, and Y. W. Scarborough Sr., Atlantic Coast Life; (two years) B. L. DeWitt, National Standard Life; W. R. Lathrop Jr., Southern Life & Health, and C. E. Phillips, Equitable Life of Washington, D. C.; (one year) R. H. Dobbs Jr., Life of Georgia; J. C. Greer, Union National; L. L. Hoecker, Home State; and H. G. Zelle, Life of Missouri.

companies, the organization of Health Insurance Assn. of America, and the deliberations of the National Assn. of Insurance Commissioners' subcommittees on A&S advertising practices and policy cancellation provisions.

Important developments during the

Ask NAIC to Consider New Mortality Table for Fixing Reserves

ST. LOUIS—Appointment of a special committee by NAIC to study the advisability of developing a new standard mortality table for the calculation of reserves that will reflect recent continued improvements in mortality, was suggested by the life companies at the NAIC annual meeting here. This was proposed as one possible solution to the problem of "deficiency reserves" for life policies.

Such a new standard table for reserves would not affect premiums and policy costs, since the individual companies use their actual mortality experience in calculating premiums and dividends.

The proposal was made to the life insurance committee at the NAIC meeting. Alfred N. Guertin, actuary of American Life Convention, made the suggestion, speaking on behalf of both the ALC and LIA.

"It would be desirable if such a committee would hold public hearings prior to December, so that recommendations could be made the basis for legislative proposals to the legislatures of the several states early in 1957, when most legislatures will be in session," Mr. Guertin said.

The statement to the commissioners suggested that, if a new permissive standard mortality table for calculating reserves were not to be recommended, then some type of amendment should be developed to modify or change the deficiency reserve statutes.

Under the present deficiency reserve requirements, some cases arise where gross premiums needed under actual mortality experience are smaller than the net premiums based on present reserve standards, Mr. Guertin said, and in such cases, deficiency reserves must be established by the companies. This is primarily a problem for the non-participating company, as the participating company maintains premiums at a level that serves now or in the foreseeable future.

Tracing the history of the standard mortality table, Mr. Guertin said that the continued improvement in mortality since the adoption of the present CSO table has warranted consideration of a new table. He also stressed the relative ease with which a new table could be compiled today, compared with 15 years ago, as Society of Actuaries now has mortality statistics covering all policies in force from 1930 through 1953 for companies representing nearly half of the life insurance in force in the country. This would be ample to be used as the base for a new mortality table and modern electronic machines would greatly minimize the time required for computation.

N. Y. C. Assn. to Meet June 6

New York City Assn. of Life Underwriters will hold its annual meeting at 2:30 p.m. June 6 in Hotel Sheraton-Astor. Milton Young, New York City lawyer, will discuss tax planning.

HEARING JUNE 22

Variable Annuity Bills Pass 35-12 in N. J. House

The three variable annuity bills sought by Prudential passed the lower house of the New Jersey legislature Monday 35-12.

Chairman Farley of the senate business affairs committee has scheduled a hearing for 11 a.m. June 22. It will be held in the assembly chamber, larger than the room where the 21-man senate meets, because of the number of proponents and opponents expected to appear, Farley explained.

Recent efforts to get the bills out of committee have stepped up the vehemence of the opposition. It's mainly from investment men who see in the variable annuity a formidable competitor, having all the advantages of common stocks or of mutual funds based on stocks, plus a pay-out utilizing the life annuity principle.

Among those who have spoken out against the bills are President Frederic W. Ecker of Metropolitan Life, President Keith Funston of the New York Stock Exchange, and President E. T. McCormick of the American Stock Exchange of New York. However, Mr. Funston has said that if the bills were amended in certain respects they might meet with his approval.

Though he has vigorously opposed the issuance of variable annuities by life companies, Mr. Ecker has not, up to now, taken any part in the New Jersey controversy. It has been traditional that Metropolitan and Prudential do not oppose each other on legislation in their respective home states.

Mr. Ecker's opposition to the New Jersey bills was expressed in response to a telegram from Sen. Forbes of the New Jersey legislature. Yet the fact that Metropolitan's chief executive is taking an anti-Prudential stand on New Jersey legislation is taken as reflecting the importance of the New Jersey legislation to the entire variable annuity movement.

If Prudential succeeds in getting its bills enacted the sale of variable annuities will be accelerated many-fold over what might be expected if the company is stymied and the variable annuity impetus has to come from other sources in other states.

Elect Saunders NAIC Chairman

ST. LOUIS—J. Byron Saunders, chairman of the Texas board of commissioners and the casualty commissioner, was elected chairman of the National Assn. of Insurance Commissioners governing committee at the meeting here. He received 17 of the 41 votes cast. The other candidates were Pansing of Nebraska and Gillooly of West Virginia. Taylor of Oregon succeeded Leggett of Missouri as president and Narvarre of Michigan moves up from chairman to vice-president.

NAIC Will Go to Court to Squelch FTC Jurisdiction

St. Louis Meet Marked by Decision to Join in Appeal of American H.&L. Case

By JOHN C. BURRIDGE

ST. LOUIS—National Assn. of Insurance Commissioners will join with American Hospital & Life in its appeal of the federal trade commission decision which held FTC has jurisdiction over insurance advertising despite public law 15. This method of retaliating to the FTC action is considered the best of three possible courses which could be followed, Commissioner Donald Knowlton of New Hampshire told the NAIC executive committee. Mr. Knowlton offered a resolution "disagreeing with and deplored the majority opinion of the FTC" in the American Hospital case and asking the commissioners to urge their respective attorneys general to file *amicus curiae* briefs in the appeal.

Mr. Knowlton's appearance before the executive committee and his discussion of the FTC problem brought into focus the entire critical issue of federal vs state regulation. Almost everything that happened prior to his talk was a prelude to it—state and federal relations having been in the background of nearly every one of the committee actions. The line NAIC might follow in response to the American Hospital case was practically the sole issue before the convention, the only one of far reaching significance it considered.

The principle of the American Hospital decision applies to all aspects of insurance, Mr. Knowlton said. After it was announced, Mr. Knowlton received a lot of telephone calls asking what NAIC was going to do.

"It seems to me NAIC has done everything possible as an association to preserve state regulation," he declared. It has drafted all the laws necessary to oust FTC and has gotten their passage in most states. It has drafted rules and an interpretation of them for accident and sickness insurance advertising. "There isn't a thing that I can think of that NAIC hasn't done to preserve state regulation," he said, but the FTC has brought about something that calls for more direct action.

On Saturday preceding the convention, Mr. Knowlton said, there was a meeting of commissioners and industry leaders to consider what could be done. Three lines of action were considered:

1. A rehearing of the American Hospital case,
2. Joining through state attorneys general in an appeal of the case, or
3. Going to Congress for legislation to amend PL 15.

Those at the meeting were not too well informed on the American Hospital case.

(CONTINUED ON PAGE 16)

Hancock Names Four to Agency Posts in Department Changes

John Hancock has appointed Charles W. Hoover, William D. Bacon and Harold W. Chader superintendents of general agencies.



C. W. Hoover



W. D. Bacon

eral agencies and named Robert E. Dye superintendent of general agencies, field sales service.

Mr. Hoover, who has been manager of sales promotion and training in the general agency department, will work with 10 west coast agencies from headquarters in San Francisco. He is CLU and entered the business with the company in Indiana.

Mr. Bacon, former associate general agent at San Antonio, will work with



H. W. Chader



R. E. Dye

14 midwestern agencies. He entered the home office last year.

Mr. Chader, who was superintendent of agencies of Berkshire Life before joining the company early this year, will work with 16 agencies in the mid-eastern division. He entered the business with Connecticut Mutual and was a general agent.

Mr. Dye, who has been with New York Life on the west coast, will be in charge of sales promotion and field training. He will be assisted by R. Morton Clafin and William F. Kiel as assistant managers of sales promotion and field training, respectively.

Austin H. Feltus, who has been superintendent of general agencies in the western area, has been transferred to the eastern division which takes in 16 agencies.

E. Wayne Wood will continue as superintendent of general agencies for the 16 agencies in the southern division.

B.M.A. Installs New Data Processing Machine

Business Men's Assurance has installed a new high-speed electronic data processing machine at its home office. The IBM 650 magnetic drum data processing machine is one of the first of its type to be delivered to an insurer west of the Mississippi.

In its initial assignment the machine will compute premiums, figure premium distribution, determine A&S statistics and prepare various summaries and analyses.

B.M.A. personnel has been given comprehensive study in the use of 650 for the last year. The studies will continue so the company can expand the use of its electronic equipment to assist in the solution of problems in all departments.

LIAMA Says Realistic Concept of Job Helps Reduce Agent Turnover

LIAMA's latest report on *Job Expectancy and Survival* reveals that one way to reduce agent turnover is to give prospective agents a realistic concept of the job.

Based on a 6-month experiment with agents in a combination company, the report concluded that termination will be reduced in some companies—if not all—by having the home office give prospective agents a realistic description of the job.

A group of prospective agents of the company received a booklet describing the agent's job and a letter from the home office saying that the company wanted them to know in advance what kind of work agents perform. LIAMA's experiment showed this procedure did not make it more difficult to hire new agents. The report added that these concepts also seem applicable to the ordinary operation.

LIAMA devised a questionnaire to learn from present agents the amount of time they spent in activities like collecting, servicing, prospecting and selling. From the answers came the booklet, giving the approximate amounts of time spent by debit agents on each activity.

Districts throughout the company were matched and divided into two comparable groups. Applicants for jobs in half the agencies received the booklets and letters, while those in the other half were sent neither.

At the end of six months, 226 agents had been hired in the booklet group and 248 in the control group. Termination during the trial period was 30% lower in the booklet group. More significant was the fact that the difference in termination rates for the two groups continued for agents hired month after month, with the non-booklet group's rate remaining consistently higher.

The proportion of open debit weeks for the two groups was considered on the possibility that giving a clear picture of the job might make it more difficult to hire agents. The non-booklet group had a slightly higher proportion of open debit weeks, which was opposite to the prediction.

Termination rates of agents hired before the test period were compared and no significant differences were found between either group. There seemed to be no greater likelihood of termination in either group during the course of the study.

If there is a chance that managers are overselling the job, a procedure like the one described in the study should be helpful, the report concluded.

Mass. Moves Mortgage Group Life Measure

A bill to allow savings banks and credit unions to sell life insurance as a guarantee of loans and mortgages has been referred for study by Massachusetts house after approval by the senate.

Massachusetts Assn. of Life Underwriters opposes the bill. Rep. Patrone of Boston protested that a young man seeking a mortgage would have to pay more under a group plan, to cover older mortgagors, than if he went directly to an insurance company. Rep. McEvoy of Somerville advocated the bill on grounds that it will obtain cheaper group insurance for mortgagors. He said national banks may issue insurance and the bill would prohibit savings bank personnel from benefitting under the measure.



and Robert S. Albritton, Provident Mutual, Los Angeles, the new member of the committee. The 1957 executive committee will take over on Oct. 31, at the end of the current Round Table year. The election was held aboard the Swedish American Line's flagship Kungsholm during the MDRT "cruise convention" to Bermuda.

Anti-Merger Bill in Present Form Would Hamper Life Insurers

WASHINGTON—The pending anti-merger bill, unless amended, would needlessly hamper the investment activities of life companies in many types of situations involving no possible aspect of merger or lessening of competition, President Thomas A. Bradshaw of Provident Mutual Life told the Senate judiciary committee's

T. A. Bradshaw

subcommittee on anti-trust and monopoly legislation. Mr. Bradshaw spoke for American Life Convention and Life Insurance Assn. of America.

The bill provides that corporations must give advance notification to the federal trade commission and the Department of Justice, with a 90-day waiting period, or their intentions to acquire in excess of 5% of the stock of another corporation, or assets of another corporation exceeding \$5 million or 5% of the capital structure of either corporation.

Although the bill would exempt certain transactions from the notification requirement, the exemptions are not clear nor would they relieve many of the day-to-day transactions of life companies and other investors from the notification and waiting period requirements, Mr. Bradshaw said.

After explaining in detail why the bill's provisions would prove so needlessly troublesome, Mr. Bradshaw said that while the life companies want to encourage competition and discourage monopoly they think the subcommittee should study the questions further with a view to amending the bill so as to remove the features that the life companies and other investors object to.

Sturdivant Life of North Wilkesboro, N. C., has been chartered to sell life, annuities and A&S.

Benefits, Death and A&S Claims Increase; Death Rate Decreases

Motor vehicle fatalities in the first quarter resulted in 11,000 life insurance death claims, up 1,000, for an aggregate of \$23 million, up \$3 million according to Institute of Life Insurance.

The 1955 death rate among America's 80 million ordinary life policyholders was 599 per 100,000, down 9, for a new low which reflected the excellent health conditions prevailing in the general public.

Life companies in the first quarter made benefit payments to policyholders totaling \$1,482,400,000, up \$82.8 million. March payments totaled \$508,200,000, up \$10 million.

A&S benefits paid by life companies in the first quarter totaled \$394.3 million, up \$64.8 million. Group A&S benefits accounted for three-fourths of the total and were up one-fifth. Individual A&S policy payments were up 19%.

FTC A&S Ad Code Has No Important Changes'

WASHINGTON—Federal trade commissioner Lowell Mason confirmed Thursday that the FTC has approved the tentative A&S advertising fair trade practices code "with no important changes." It is understood that a number of such changes were proposed and rejected at a meeting of the commission earlier this week. The final version is being printed and will be distributed in a few days, perhaps late this week.

Mutualization Plan of Pacific Mutual in Effect

The long-contested mutualization plan of Pacific Mutual Life has been formally filed with Commissioner McConnell of California.

The plan, which this action places in effect, had previously been approved by the California commissioner and subsequently this approval was upheld by the California superior, appellate and supreme courts and ultimately by the U.S. Supreme Court.

Sounds Tocsin Against Federal Grab for Power

Leggett Tells NAIC Meet Industry Faces Its 'Most Serious Crisis'

S. T. LOUIS—Superintendent C. Lawrence Leggett of Missouri in his presidential address before the annual meeting of National Assn. of Insurance Commissioners offered some ideas for beating back the government agencies which are trying to assume control and for keeping the state houses in order at a time when state regulation is "faced with the most serious crisis in its history."

The most publicized phase of the problem, he said, is the activity of federal trade commission. But other boards, bureaus, and agencies have their traps laid. It is probable that the FTC issue will be litigated, but the commissioners cannot sit by awaiting the decision. Perhaps, he suggested, the advocates of state regulation could explore the possibilities of procuring federal legislation to "lay the ghost of federal regulation."

Getting such a law enacted, or an amendment to public law 15, calls for the wholehearted cooperation of the commissioners with each other plus the cooperation of the industry, and "although some segments of the insurance industry may not presently be directly affected by the threat of federal regulation they must be concerned with the present trends in that direction."

Mr. Leggett remarked that the controversy is not with the Congress, which has already declared its intention that continued regulation by the states is in the public interest. "I am confident," he said, "that they will listen with a sympathetic ear to proposals for legislation restricting the activity of the agencies of federal government in the field of insurance regulation."

"Legislative enactment, however, is not enough," he declared. "The state must do what they can to obtain necessary laws and enforce them efficiently." Mr. Leggett took this occasion to repeat his idea for a basic uniform insurance code as a pattern to be followed by individual states. He said the response to the idea has been "universally good." While action on this is pending, NAIC, he recommended, might make some revision in its internal organization. This would include maintaining equal zone representation on each of the standing committees, and a reorganization of the committees to reflect more adequately present trends within the business, such as a single multiple line committee instead of several on fire and marine, casualty and surety.

NAIC, Mr. Leggett declared, has attempted to meet threats of federal intervention by good faith cooperation with the agencies involved. "This has not been successful. It seems that the federal agencies consider cooperation a one-way street leading to Washington with no provision for a return trip. I believe that cooperation is still our greatest weapon against federal encroachment, but I would like to suggest a different emphasis from that applied in the immediate past by NAIC. The cooperation I ad-

vocate, and which I believe is the key to the survival of state regulation of insurance, is the wholehearted good faith cooperation of the commissioners with each other through NAIC."

There is much that can be done in tightening up regulation under NAIC procedures, he said, noting that examinations are in the forefront in this respect. An examination is not an audit, it has to be done by a man with qualifications. Each commissioner should make it his business to see that the NAIC rules governing examination procedure are strictly followed as to qualification and compensation of examiners, when the examiners are sent out of state, and it would be wise to follow them also on domestic examinations.

"Too often in the past, the efforts of NAIC have been spent in attempts to 'catch up' with crises after they have occurred," Mr. Leggett said. "Because of the dynamic character of the insurance industry, we must be alert to recognize trends within the industry so that, in the future, our actions will be preventive rather than remedial."

Life Counsel Elect Keesling President

Francis V. Keesling Jr., 1st vice-president and general counsel of West Coast Life, was elected president of Assn. of Life Insurance Counsel at the spring meeting at the Greenbrier in White Sulphur Springs. He succeeds Charles G. Dougherty, vice-president of Metropolitan Life.

Millard Bartels, general counsel of Travelers, was elected vice-president, and Chester L. Fisher Jr., Metropolitan Life, was reelected secretary.

The executive committee includes M. Anderson, vice-president and counsel of Connecticut General Life; Webster Atwell, Dallas attorney; John W. Fischbach, general counsel of Minnesota Mutual Life; John J. Magovern

Jr., vice-president and counsel of Mutual Benefit Life, and Daniel J. Reidy, vice-president and general counsel of Guardian Life.

Cleveland Tops Cities in Ordinary Sales Rise in April, Four Months

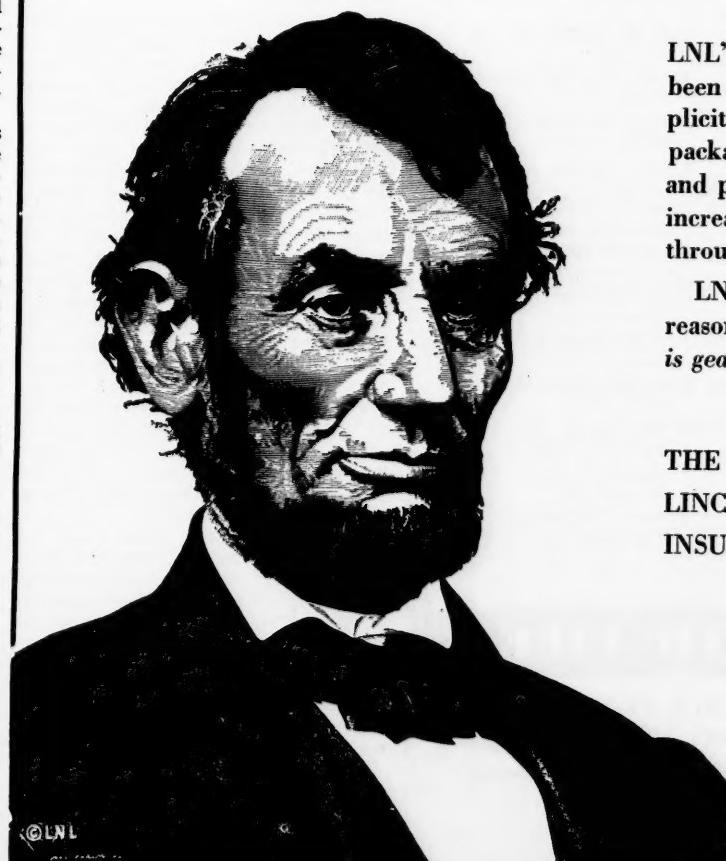
Cleveland led large cities in percentage increase in ordinary life sales in April and the first four months with 46% and 23%, respectively, according to LIAMA.

Other large cities and their percentage increases for April and the first four months, respectively, are Boston, 2 and 8; Chicago, 9 and 14; Detroit, 7 and 3; Los Angeles, 28 and 15; New York City, 8 and 10; Philadelphia, 27 and 8, and St. Louis, 3 and 11.

Occidental Raises Wille at St. Louis

Jack J. Wille, former agent and assistant brokerage manager of St. Louis for Occidental Life of California, has been appointed assistant branch manager there. He joined Occidental in 1955 after eight years with Metropolitan Life in St. Louis.

NOW... A NEW LNL MONEY PLAN



LNL's popular Money Plan has now been re-designed for even greater simplicity and efficiency. This easy-to-use package is built around sales approaches and presentations which have brought increased earnings to Lincoln agents throughout the land.

LNL's new Money Plan is another reason for our proud claim that *LNL is geared to help its field men.*

THE
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana
Its Name Indicates Its Character

NAIC Committee on Credit Covers to Enlarge Activities

ST. LOUIS—Considerable expansion of the scope of activity of the NAIC committee dealing with insurance charges covering installment sales was recommended in that committee's report to the executive committee. Chairman Leffert Holz of New York suggested that maximum results could be attained by delegating to one committee the responsibility for a continuing study of all types of insurance in connection with credit transactions. The committee recommended that it be discharged and that action be taken to amend the NAIC by-laws to create a standing committee to be known as the committee on insurance charges covering all installment sales and loans.

The subcommittee on credit life and credit A&S could be consolidated with the proposed standing committee, and the scope of responsibility would include insurance in connection with personal loans.

The report went on to recommend

that the states be requested to report on their progress in implementing the resolution of NAIC of December, 1955, regarding physical damage classifications; that the new committee initiate a study of the relationship to finance companies to affiliated insurance companies; that a study be made of the rate structure in credit life and credit A&S which would include loss ratios and other component elements; that the committee survey underwriting experience in auto physical damage to determine the feasibility of establishing separate premium rates for financed and non-financed business. The area of responsibility of the proposed new standing committee should not be limited to those enumerated, but should include all insurance in connection with consumer credit, the report said.

The report noted that the committee had considered the increase in consumer credit and consumer credit insurance, and that such a rapid expansion of a segment of industry often generates new problems.

Southland Life has entered Utah, the 16th state in which the company is licensed.

Conn. Mutual Leaders Honor Fraser for 50 Years in Insurance

Chairman Peter M. Fraser of Connecticut Mutual Life was honored for his 50 years in the business at the traditional Leaders Round Table banquet, a highlight of the 3-day meeting which was the first of its kind ever held in Hartford.

The LRT conclave, which was tied in with the company's 110th anniversary, had 181 qualifiers who sold at least \$500,000 in 1955. They signed a citation which was presented to Mr. Fraser by Robert H. Goldsmith, Los Angeles, the leading agent. The citation traced Mr. Fraser's career and praised the qualities that made him a leader and contributed to the development of the company and life insurance as an institution.

Mr. Fraser, who was elected president in 1945 and chairman in 1955, commented on the growth and changes that have taken place since he joined the company 38 years ago. He paid tribute to the personnel and predicted greater success for the future.

Director James L. Loomis, who preceded Mr. Fraser as president, reminisced on their official and unofficial relationships in earlier years. He recalled the part Mr. Fraser played in company expansion after he left his Brooklyn general agency—at Mr. Loomis' suggestion—and entered the home office as a vice-president.

Mr. Fraser and Mr. Loomis both were lauded in the meeting's concluding address, delivered by Charles J. Zimmerman, managing director of LIAMA, who will become company president on July 1. They brought to the company exactly what it needed in the way of leadership when they assumed positions of responsibility, he said.

As for agents, Mr. Zimmerman said, they have these responsibilities: to themselves and their families to do a job worthy of their real ability; to their communities through participation in civic affairs; to the institution of life insurance; to their own companies; to their fellow agents and general agents, and to their policyholders through quality service. At the same time, management must do all possible to maintain company integrity, honesty, strength, and progress.

The great danger to life insurance is not from within, but from without, Mr. Zimmerman said. Social security and mass coverages must be kept in balance. Tax structures should be revised to stimulate men to provide adequate coverage for themselves rather than to seek ways to secure it indirectly. He criticized income and corporate tax structures which promote "business immorality."

Joseph Trachtman, New York tax and estate attorney, addressed a business session on estate planning. To deal effectively with estate planning problems, an agent must know the rules on transfer of wealth and be able to appraise trends in taxation. A cardinal rule should be to provide an escape hatch in case current tax advantages are swept away in the future by legislation.

Noting that it is not impossible that the incidence of ownership test of taxability will be altered in the future, Mr. Trachtman suggested that, where high-ranking agents in the several



Peter M. Fraser, chairman of Connecticut Mutual Life, is shown, at right, receiving a citation in honor of his 50 years in the business from Robert H. Goldsmith, Los Angeles, the company's leading agent. The presentation was made at the Leaders Round Table banquet, which was a highlight of the honor group's 3-day meeting in Hartford.

another member of the family insure the life of the principal with premiums paid by someone other than the principal.

E. A. Starr, superintendent of agencies, told a session on advanced sales that the company is watching closely developments relating to the report to Congress by the committee on labor and public welfare following its probe of welfare and pension plans. The recommendations may result in legislation which may have a marked effect on the future of this type of business, he said.

Paul A. Hoeffer, assistant counsel, explained how the split dollar plan may be combined with profit sharing plans or be used as deferred compensation. Ralph J. Chittick, assistant counsel, discussed taxation and short term trusts.

Vincent B. Coffin, senior vice-president, conducted a discussion of "What's Going on in the Home Office." Various operations were described by Thomas K. Dodd, vice-president, underwriting; Frederick K. Eberle, vice-president in charge of mortgage loans; Daton Gilbert, 2nd vice-president and actuary; Leslie R. Martin, senior vice-president; Dr. Henry B. Rollins, vice-president and medical director; H. Martin Tenney, vice-president, investments; Miss Lelia E. Thompson, counsel, and Royden C. Berger, director of advertising.

Raymond W. Simpkin, agency vice-president, presented bronze plaques to Mr. Goldsmith, for leading in paid volume with \$4,065,104; George E. Deras Omaha, for leading in cases with 261; Jerome Adler, New York, for conserving business in force; Leo A. Gammill, new general agent at Garden City, N. Y., as leading supervisor; Maxwell Kaufer, Los Angeles, for leading first-year agents in volume with \$1,016,000; Kenneth W. Christianson, Los Angeles, for leading first-year agents in cases with 105½; Philip L. Miller, Toledo, for leading second-year agents in volume with \$1,715,151 and Judson T. Brown, Dallas, for leading second-year agents in cases with 143½.

B. L. Hollis, Atlanta, was cited for completing 20 years of consecutive monthly membership in Four Club based on at least four sales a month. Various awards were made to other feasible, it is a good idea to have categories.

Atlantic Advantages

These 24 Atlantic Agency Leaders Have Won the National Quality Award

At Atlantic Life we are always proud of outstanding accomplishments by our agency representatives. Our commendation and congratulations go to these 24 winners of the 1956 National Quality Award:

Kenneth L. Davis
Roanoke, Va.
Clayton Demarest, Jr.
Baltimore, Md.

Robert P. Englander
Charlottesville, Va.

Paul H. Estep
Harrisonburg, Va.

Robert N. Flickinger
Norfolk, Va.

Raymond A. Gallagher
Alexandria, Va.

Charles P. Gay, Jr.
Emporia, Va.

Wilford P. Hendrix
Columbia, S.C.

James E. Hubbard
Richmond, Va.

James G. Hunter*
Harrisonburg, Va.

Herbert P. Jones
Pittsburgh, Pa.

George T. King, Jr.
Richmond, Va.

*Deceased

John M. McChesney, Jr.
Waynesboro, Va.
W. Neal McCord
Washington, D.C.

William R. McKee
Dallas, Texas

Frank T. Manly
Cleveland, Tenn.

Elmer W. Marsh
Richmond, Va.

Nobert B. O'Donnell
Cumberland, Md.

Henry D. Salter
Walterboro, S.C.

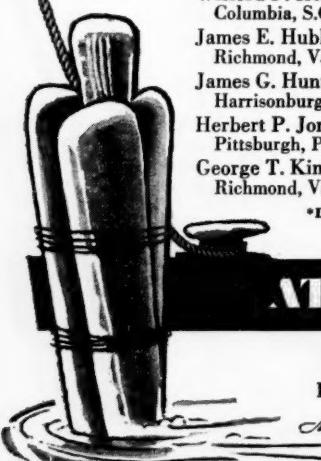
John H. Shefield
Austin, Texas

James H. Stevens
Dallas, Texas

R. Ben Sutton
High Point, N.C.

Frank Van Keuren
Columbia, S.C.

James E. Williams
Disputanta, Va.



ATLANTIC LIFE

INSURANCE COMPANY
HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

NAIC Faces Big Job in Handling Pension, Welfare Funds

ST. LOUIS—The NAIC approach to handling commercial pension funds and trustee welfare funds, whatever it turns out to be, will not have been achieved easily. Discussion at the life committee session of the NAIC annual meeting here indicated there necessarily will be variation between the states, although it is generally agreed the funds should be under state control, but what degree of control, how to obtain the control, and how to exercise the control cannot be settled on a uniform basis.

As presented to the life committee, the report of the subcommittee on pension and welfare funds said "it is imperative that action be taken by the states to prevent further abuses in the areas of trustee welfare funds where abuses have been found." Commissioner Navarre of Michigan, subcommittee chairman, offered the essential points of suggested legislation to be adopted. This included declaration of what constitutes an employee welfare fund for the purpose of the legislation; requirement that employee welfare funds register with the insurance department; requirement for examination of the funds and reports from them; disclosure by funds to beneficiaries or benefits to which they are entitled; prohibition of improper payments; filing of commission and fee schedules by insurers; a provision to avoid duplication with other state laws, and a statement noting that the insurance department is the logical agency to supervise the funds.

McConnell of California said the legislative recommendations treat items which are severable—registration and filing of reports, examinations, and commissions. Just registering the funds with the states and requiring reports from them may be enough for the present, he suggested. Most states are not equipped to handle examinations of funds, and to call for disclosure of commissions gets into the area of competition and might tend to discourage it. Mr. Navarre answered that the report is not felt to be complete or exhaustive. It isn't the answer to all the problems and can be treated by parts. Differences in state laws will call for leaving out some sections, the idea is to have minimum legislation, and that is what the report offers.

Holz of New York, who, like Mr. McConnell, is a member of the subcommittee, rose to make an amendment, but found he was out of order procedurally. He thereupon asked that his signature be withdrawn from the report, but left it there when he was told the report could be amended in executive session.

There is no intention to regulate commissions by having them disclosed, Albert Pike of Life Insurance Assn. explained.

Victor Lutnicki of John Hancock said there should be added to the provision covering regulation of funds under other state laws the statement "Any person, organization, trustee or corporation engaging in the insurance business or providing insurance benefits should be subject to the insurance laws."

Levin Heads San Francisco CLU

Robert L. Levin, Equitable Society, has been elected president of San

Francisco CLU chapter. Others elected are Elwood T. Starbuck, Provident Mutual Life, vice-president; Jerome L. Kushnick, Occidental Life of California, secretary, and Sherwood Jones, Metropolitan Life, treasurer.

The election meeting included a panel discussion on estate and business problems. Previously announced as a "shirt sleeves" discussion conference, the meeting proved to be just that as the weather became unusually hot for normally cool San Francisco.

Crown Life V.P Heads Canada Life Officers

F. W. Hill, vice-president and managing director of Crown Life, was elected president of Canadian Life Insurance Officers Assn. at its annual meeting at Montebello, P. Q. Other officers are A. M. Campbell, Sun Life of Canada, and R. H. Reid, London Life, 1st and 2nd vice-presidents respectively, and James Hunter, Continental Life of Canada, honorary treasurer. E. C. Gill, president of Canada Life, is retiring president. H. I. Weir, London Life, was elected chairman of the life agencies officers section.

Mr. Gill, in his president's report, said governments should supplement and not supplant the A&S insurance that private insurers are providing. He said that the areas of real need that the private insurer cannot meet are sufficiently small that government action directed specifically at those areas should be much less costly than a universal plan.

Pointing to the success that companies have had in supplying the need of hospital coverage in Ontario, Mr. Gill said that three and three-quarter million, or 70% of the people, have hospital insurance with private agencies and have demonstrated their ability to carry this kind of coverage "without government assistance." He indicated that the need for government action has dropped considerably in the last 15 years. Fourteen years ago fewer than 500,000 people in Ontario had hospital insurance in private companies.

Washington National Holds Parley for Debit Men

Washington National combination men from Pennsylvania, New Jersey, Maryland, Delaware and Washington, D.C., met recently in Boston for the first of three territorial conventions of the company's industrial field force. A total of 259 agents qualified for the Boston convention. On the program from the home office were P. W. Watt, president, and C. H. Kendall, industrial vice-president.

An address by Don Bramley, LIAMA, together with panel discussions and skits by men of the eastern territory provided the convention with both serious discussion and humor.

Form St. Louis Actuaries Club

Members of Society of Actuaries living in the St. Louis area have organized St. Louis Actuaries Club, which held its first formal meeting recently. Officers are Otto J. Burian, General American Life, chairman; Carroll E. Nelson, Nelson & Warren, consulting actuaries, vice-chairman, and Stuart J. Kingston, consulting actuary, secretary-treasurer. There are 21 members in the initial enrollment.

Holz Seeks Opinion on Self-Insurance for Welfare Funds

NEW YORK—Superintendent Holz has asked Attorney-general Javits of New York whether jointly administered union welfare funds may legally self-insure. The law permits a fund wholly administered by a labor union to self-insure but the insurance department counsel's opinion has been for the past six years that this exemption does not apply to welfare funds that are jointly administered by trustees representing the union and the employers. The law was enacted before jointly administered funds began to figure at all prominently in the welfare fund picture.

The request for an opinion is the outgrowth of pressure from trustees of several large funds, who hold that big savings could be made by self-insuring. The National Maritime Union pension and welfare plan has been particularly active. Its consultant, Martin E. Segal, New York, estimated that the fund could save \$135,000 a year by switching from insured to self-insured status. Of

this saving, the elimination of premium tax, to which self-insured funds are not subject, would account for about \$72,000. The fund covers some 40,000 seamen and pays nearly \$2 million a year in premiums.

Permitting jointly administered funds to self-insure would cost life companies large amounts of business because the saving in premium tax alone would almost compel the trustees of funds above a certain size to decide for self-insurance.

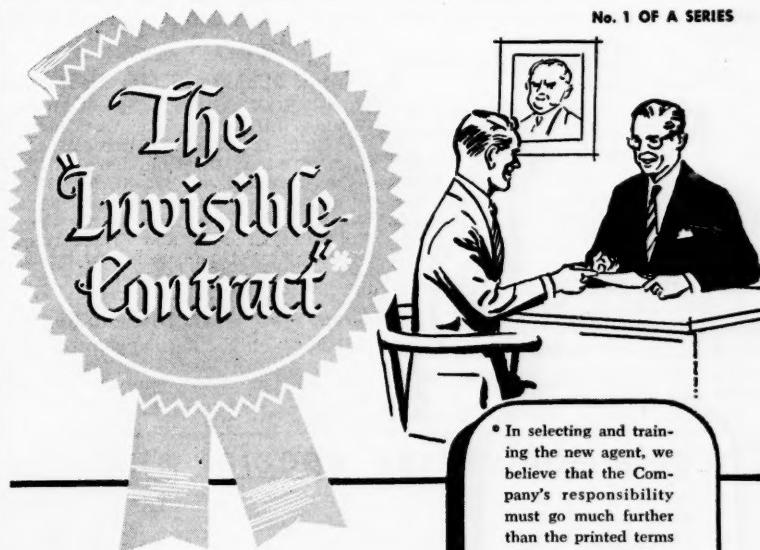
It will be another week at least before Attorney-general Javits renders an opinion.

General American Life Appoints Beers at Fresno

General American Life appointed Charles Beers to develop an agency in California's San Joaquin valley, with headquarters at Fresno. Mr. Beers was formerly with American National, most recently as manager at Tacoma.

Mr. Beers plans to build his Fresno general agency along the multiple agency line, appointing district managers at Fresno, Bakersfield and other cities in the area.

No. 1 OF A SERIES



*Prior to final selection,
THE COMPANY shall take
all steps to make certain
the prospective agent has
the capacity for success in
life insurance selling.*

* In selecting and training the new agent, we believe that the Company's responsibility must go much further than the printed terms of its contract. In fairness to the agent . . . the Company . . . the insurance business itself . . . we must assure the new agent every possible chance of success. In this series of messages, we present a few of what we consider to be our inescapable obligations under this "invisible contract".

Haphazard or cursory selection standards constitute a grave injustice . . . to the man . . . to the company . . . to the life insurance business. Scientific tests of vocational interest and aptitude are essential, we believe, in the selection process. Equally important are the factors of education, success in previous occupations, a stable marital situation, and demonstrated ability to manage money. Most important of all, perhaps, is a clear indication of unqualified willingness to do the things men must do to succeed.

California-Western States Life Insurance Company

HOME OFFICE: SACRAMENTO

Life Office Production Managers Will Attain Higher Status: Rowland

Tremendous technical advances in business operations in the next 25 years will give

rise to great social and economic problems affecting everyone, and the need for dealing articulately with these matters far beyond where it is now.

Frank L. Rowland, managing director of Life Office Management Assn., made

this prediction at the annual meeting of Society of LOMA Graduates at Belmont Plaza hotel in New York City.

In the years ahead, Mr. Rowland said, some of the things to be expected in office management are:

- An even more clear cut recognition of the staff nature of office management.

- Office machinery, particularly electronics, will play an increasingly important role, relieving workers of considerable routine thinking so that they may devote more time to real thinking.

- Better selection and training of supervisory personnel.

- The office methods man will become the office engineer, comparable to the industrial engineer in the factory.

- More recognition will be given in wages to production results rather than to time spent on the job.

- Supervisory compensation will better reflect relative performance.

- More industries will organize institutional educational courses on office management, similar to the work being done by the insurance business, banks and public utilities.

Frank D. Lewand, associate life un-



F. L. Rowland

derwriter of the New York Life and president of the society, presented Mr. Rowland a plaque from the society for his contributions to LOMA over a 32-year period.

Corwin H. Barnum, assistant secretary of Teachers Insurance & Annuity Association, was elected president to succeed Mr. Lewand. Also elected were William W. Eitel, methods manager of Home Life, vice-president; Dorothy Morehouse of the policy title department of Guardian Life, secretary; Charles F. Hahn, expeditor of Mutual Benefit Life, treasurer; Elizabeth E. Hogan of the group records department of Equitable Society, Mr. Hahn and Miss Morehouse, new council members.

Hire-the-Handicapped Group Lauds Bankers L&C.

Bankers Life & Casualty of Chicago received the certificate of distinguished service, highest award in the President's committee on employment of the physically handicapped, during the annual meeting of the committee in Washington, D.C.

The award was given to the insurer for its support of hire-the-handicapped program in producing a film, "America's Untapped Asset," which portrayed physically handicapped workers engaged in gainful employment. The honor was accepted by S. C. Swanson for John D. MacArthur, president of Bankers L. & C.

Central Michigan CLUs Elect Slate

JACKSON, MICH.—Cleo E. Baker, Canada Life, Jackson, was elected president of Central Michigan CLU chapter at a meeting here. Others elected are Melvin Brown, New York Life, Lansing, 1st vice-president; Elwin Reed, National Life, Battle Creek, 2nd vice-president, and Frank Mason, Aetna Life, Jackson, secretary-treasurer.

Great-West Sends Drury to Regina

P. F. Drury has been appointed cashier at Regina, Sask., for Great-West Life. He joined the company in 1952. Mr. Drury succeeds C. S. Overend who retired.

There's something special about a Maccabees Agent

He'll
“GO GLACIER
in '57!”

The Maccabees Agent is preparing to qualify for an all-expense-paid trip to The Maccabees 1957 Sales Convention at Glacier National Park in the Montana Rockies. • When he "Goes Glacier in '57," he'll stay at the luxurious Many Glacier Hotel during convention days, June 17-21. He'll have time to take in the recreational and sightseeing opportunities this beautiful locale offers, as well as participate in all the convention activities. • If you'd like to "Go Glacier in '57," write to Robert O. Shepler, Field Director.



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was unanimously in favor of the rule in question, requiring direct mail insurers to state in what states they are or are not licensed, he declared, but not because they personally disliked Mr. Hubbard or his companies, but because they were having trouble with some direct mail insurers. In West Virginia, he went on, practically the only letters the department gets on A&S have to do with direct mail companies. If the advertising wasn't misleading, why would the letters come in? he asked. The department has had to go to the extent of preparing a form letter to answer these inquiries, but the letter doesn't belittle direct mail insurers, although it does point out they are not licensed in West Virginia and mentions the possible difficulties the prospect might encounter in dealing with an unlicensed insurer. He asked Mr. Hubbard why he didn't get his companies licensed in West Virginia.

Commissioner Pansing kept this from developing into a personal debate by restricting Mr. Hubbard to the subject of the code and the guide and nothing else. Mr. Hubbard then made the point that he felt the NAIC should amend the advertising code before putting out rules when it is admitted there are parts of the code needing change.

John Hanna of Health Insurance Assn. said his organization, recognizing the code and the guide will need changing from time to time, feels the subcommittee has performed a good service to the business and hopes the states will recognize the value of the guide.

C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents, restated his plea that there be deleted from the code the reference to agents and brokers as insurers.

W. Harold Bittel of New Jersey indicated he is not satisfied with the work of the drafting committee in defining "confining sickness." This was the biggest stumbling block in preparing a new draft after the Saturday meeting, and it now reads: "The term 'confining sickness' is an abbreviated expression and in the case of either lifetime benefits or benefits for shorter periods the term must be explained in the advertisement. An example of an acceptable explanation would be: 'Benefits are payable for total disability due to confining sickness only so long as the insured is necessarily confined indoors.' Captions such as 'Lifetime Sickness Benefits' or 'Five Year Sickness Benefits' are incomplete if such benefits are subject to confinement requirements. When sickness benefits are subject to confinement requirements, captions such as 'Lifetime Confining Sickness Benefits' or 'Five Year Confining Sickness Benefits' would be acceptable."

Mr. Bittel said the new language shows the need to amend drastically the confining sickness provisions in A&S policies, something the New Jersey department has been about for some while. The new wording, which is the result of Mr. Bittel's protest to the draft of Saturday, is not explanatory to the public, he said.

By not making the interpretative guide a part of the NAIC proceedings and by classifying it as a non-official document, FTC may be prevented from grabbing it up for evidence in its charges against insurers. Some of the industry people had warned that FTC would be overjoyed to have the NAIC and the industry put on record that there are bad words, and such like, which is what it has been claiming.

House Unit to Quiz Treasury Advisers on Debt Management

WASHINGTON—Treasury Secretary Humphrey and his four advisory committee chairmen from the life insurance, banking, securities, and mutual savings bank businesses have been asked to appear before a House subcommittee June 7, to testify on what the advisers recommended with respect to public debt retirements, whether the Secretary took the advice, what grounds he had for his actions, and what was the basis for the advice given by the advisers.

Chairman of the life insurance committee, representing American Life Convention and Life Insurance Assn. of America, is Carroll M. Shanks, president of Prudential.

Chairman of the executive and legislative subcommittee of the House government operations committee, who asked the Secretary and the four chairmen to testify, is Rep. Dawson, Illinois Democrat. The fact that this is an election year has generated speculation that Dawson's move might be an attempt to embarrass the Treasury Secretary and through him the Eisenhower administration.

N. Y. Dept. Hearing on Regulation 33 June 14

New York insurance department will hold a hearing June 14 in its New York City office to consider proposed amended regulation 33, which relates to reporting and allocation of income and expenses of life insurers in annual statements filed with the superintendent.

The hearing will take up only matters to which objections have been made. All life companies licensed in the state have been notified they must submit any objections in writing to the department by June 8.

The amended regulation is designed to conform with the corresponding provisions of the instructions for completing the life and A&S annual statement blank, as amended last November-December by National Assn. of Insurance Commissioners. The proposal contains three additional or special New York requirements which do not conflict with the revised NAIC instructions.

Gold is Assured of Reelection in N. C.

Commissioner Gold of North Carolina scored an easy victory in the state primary, in his bid for a new four-year term, handily outdistancing John N. Frederick, Charlotte adjuster, who was his only opposition for the post. The nomination assured Mr. Gold of election. He has held office since Nov. 16, 1953, when he was appointed to succeed Waldo C. Cheek.



land Life. Shown, left to right, after the election are Lester O. Schriver, managing director of National Assn. of Life Underwriters; Earl M. Schwemm, manager of Great-West Life at Chicago, who was guest speaker at the meeting; Thomas R. Buchanan, New York Life, elected 2nd vice-president; Mr. Riordan, and Vernon R. Zimmerman, manager of Acacia, chosen 1st vice-president.

60 at Spring Meeting of Pacific Actuaries

More than 60 persons participated in the 1956 spring meeting of Actuarial Club of Pacific States held recently at Yosemite National Park, Cal. Harold G. Paff, Prudential, presided, and Ralph H. Niles, Standard of Oregon, was program chairman.

Graduation of premiums by size of policy was discussed by J. Ross Adams, Coates, Herfuth & England; Edwin E. Hill, Pacific Mutual Life; Stuart A. Robertson, Milliman & Robertson, and Charles N. Tarok, Metropolitan Life.

Several phases of group coverage was discussed by F. N. Dastur, Occidental Life of California; Vincent Grainger, Prudential, and Ronald J. Martin, Founders Ins. Co. Major medical plans, coverage for retired lives and loss ratio trends received added comment from this trio and several others. A. L. Buckman and Philip Streetfield, both of Beneficial Standard Life, B. J. Helphand, Pacific Mutual Life, and Meno T. Lake, Occidental Life of California, discussed several items of interest in individual A&S lines. Lively interest was evidenced especially in the question of level and non-level commission rates, in NAIC advertising requirements and major medical plans.

The program was rounded out by discussions of several other subjects including non-proportional reinsurance and interim policy reserves. A. C. Olshen and Arthur Ferguson, both of West Coast Life, F. J. Onstine, Occidental Life, led these discussions which were followed by questions and answers.

The club will hold its fall meeting at Del Monte Lodge, Pebble Beach, Calif., Oct. 25-26.

Pa. Senate Asks Probe of Blue Cross Rates

Pennsylvania senate has passed and sent to the house a resolution calling for an investigation of Blue Cross and Blue Shield to determine if an equitable relationship exists between subscription payments and benefits.

Indianapolis Life's Sales up 18%; May Was President's Month

Indianapolis Life's sales increased 14% in April and 18% for the first four months in 1956 over corresponding periods last year. Nate Kaufman, Shelbyville, Ind., was the leader for April and also for the year to date.

The company field force is continuing its efforts for increased sales during May in honor of President Walter H. Huehl. May had been designated President's Month Derby. Leading individuals and agencies for May will be recognized with various awards.

Howard J. Riordan, life manager of Johnson & Adams, general agents of Continental Assurance, has been elected president of district of Columbia Assn. of Life Underwriters to succeed J. Hicks Baldwin, general agent of New Eng-

Minister Reelected Ohio Federation Head

Harry T. Minister of Columbus was reelected president of Insurance Federation of Ohio at its annual meeting in Columbus.

Other officers are E. C. Anstaett of Columbus, treasurer; Donald W. Stull, reelected executive secretary, and the following vice-presidents: W. G. Alpaugh of Cincinnati, Lewis E. McBride, H. P. Young and Samuel T. Selby, all of Columbus.

Mr. Minister was elected president of the Federation last January to serve the unexpired term of L. H. Grinstead, president of Beacon Mutual Indemnity, who resigned because of ill health.

R. Newell Lusby, vice-president of America Fore, discussed New York's compulsory auto law following the luncheon.

Pacific Mutual Transfers Moore

J. I. B. Moore, Pacific Mutual Life's district claim representative at Dallas since 1939, has been transferred to the home office claims department. Mr. Moore has been with Pacific Mutual in claims work since 1928.

Dow Sees Challenge in Offering Service to Stabilize Economy

The greatest challenge to the life insurance business is whether it can provide services which will minimize the effects of the instability inherent in the economy, President Charles W. Dow of Equitable Society told 400 agents and managers at the first of a series of annual president's monthly meetings in Washington.

The business must adjust its products and thinking to the changing times, Mr. Dow said. Price stability is particularly desirable for the industry today because many of its services are accompanied by the payment of dollars in the future. While stability is desirable, instability is more usual and change and uncertainty will exist as long as people are free to act as individuals.

A sound dollar is vitally important in maintaining the future purchasing power of policyholders, he said. Everyone should support any federal policies which seek to produce stability through sound fiscal management.



Our hat's off!

. . . To the 134 members of our 1956 President's Club . . . a select group of Connecticut General field people with outstanding records in performance and in quality of service to clients.

Twenty-nine are life and qualifying members, having earned this honor for ten or more years. And forty-six have earned it five or more times. It's an outstanding record . . . and an outstanding group.

We take our hats off to them.

Connecticut General

LIFE INSURANCE COMPANY, HARTFORD

A&S Cancellation Draft Draws Hisses

ST. LOUIS—Violent objection expressed in mild language was the industry response to the draft of the report of the NAIC subcommittee to study problems incident to the cancellation of A&S policies. Thomas Gillooly of West Virginia, chairman, presided.

The parts of the report causing upset nerves were those which would eliminate the right of an insurer to cancel an A&S policy, and a paragraph calling for a study by the A&H committee "to reevaluate the soundness of the reasons for keeping accident and sickness insurance free from rate regulation." Dissent from these ideas were offered by John Hanna of Health Insurance Assn., Robert Neal of HIA, Robert Dineen of Northwestern Mutual Life and former New York superintendent, John Panchuk of Federal Life & Casualty, Berkeley Cox of Aetna Life, C. F. J. Harrington of National Assn. of Casualty & Surety Agents, and John Henry of Continental Casualty. Mr. Gillooly held, after most of the objectors had had their say, that there is a relationship between cancellation and rates and mention of it should be in the report.

On the cancellation issue, the report says the purposes of the section disturbing to the industry are to eliminate entirely the right of an insurer to cancel an A&S policy; to restrict the right of the insurer to refuse renewal to the premium due date on or after and nearest the anniversary of the policy; and to increase the length of notice required for non-renewal from five to a longer period of thirty days.

Mr. Hanna, protesting the elimination of cancellation rights, said at least there should be 90 days allowed the companies to cancel for non-payment of premium. Mr. Harrington added this section contravenes the right of a producer in the casualty field to remit to his company within 90 days. By custom the casualty agent delivers the policy at one time and collects the premium later. The committee plan would increase premium costs and thus raise sales resistance to A&S, he declared.



dent, Mr. Adam announced that Penn Mutual was contributing a fund of \$5,000 to finance a project designed to benefit life insurance field forces.

Mr. Henry said he was distressed by the cancellation section. It hurts the companies that write business in the field and underwrite later. The committee idea would produce a species of non-can A&S insurance.

The report notes that the recommendation on cancellation would, in effect, make the term of all A&S policies not less than a year regardless of the premium due date. Not only would it prohibit cancellation of the policy during such term but it would also limit the ability of the company to get off the risk to the right to refuse to renew at the premium due date first occurring at or after such one-year term upon 30 days notice. This provision is substantially the same as recommended by the industry committee, the report adds, except the period of notice recommended by the industry was 10 days and the subcommittee lengthened it to 30 days. The industry, however, had asked for the right to cancel within 90 days, primarily to protect the casualty companies' underwriting practices, but the report suggests "that no cancellation right be retained by the company. Your subcommittee feels very strongly that this is necessary and is, in fact, the most important and meaningful of its recommendations. Admittedly, this will entail some revision by casualty companies of their present methods of writing A&S insurance, but such changes are necessary if real progress is to be made towards removing the problems inci-

dent to cancellation of such policies."

Bringing in the business of studying rate regulation for A&S, a matter which had not been discussed by the commissioner-industry group, brought forth most of the discussion. Mr. Neal said it would be detrimental to competition, and he asked Mr. Dineen to give some background on the reason it has not been an NAIC activity.

Mr. Dineen said when the model rate regulatory bills were framed the last thing the commissioners wanted was to regulate A&S rates. A&S uses a national rate structure, fire and casualty is handled by states. He said he still thinks rate regulation for A&S would be a mistake, although the power to take hold of extreme cases is needed and can be covered by the law in New York and about 20 other states requiring benefits to be reasonable in relation to premiums charged.

Mr. Panchuk warned that to include in the report suggestions pertaining to A&S rate regulation would only be adding fuel to the fire, making more confusion where there is confusion a-plenty.

Milton Ellis of Metropolitan Life said if there must be talk of rate regulation it should be made clear it concerns individual business only, not group. Berkeley Cox said he hoped the matter of rate regulation could be handled separately and not put into the cancellation report.

On the Swedish American Line Flagship Kungs-holm during the recent Million Dollar Round Table cruise convention to Bermuda: President Malcolm Adam of Penn Mutual, flanked by Ernest Bearnath, vice-president of the Swedish American Line, and Captain John Nordlander. In the traditional opening session address of the chairman's company president

No 'Actual' Ban on Mutual Fund Tie-in

ST. LOUIS—The report of the subcommittee to study group life actually made no change to prevent selling insurance covering installment purchases of mutual funds. Victor Lutnicki of John Hancock told the life committee of NAIC at its annual meeting here, although, he said, this seemed to have been the intention. The wording: "No debtor shall be eligible unless the indebtedness constitutes an obligation to repay which is binding upon him during his lifetime, at and from the date the insurance becomes effective upon his life" will not prevent this business from being written, he contended, but will only cause more confusion.

If it is intended that this kind of insurance not be written, Mr. Lutnicki said, it should be dealt with by legislation, not be means of a voluntary ban by the companies. He added he doesn't think such legislation is needed or desirable—coverage on mutual fund purchases has been beneficial and yet it has not spread across the country.

Nor should action be taken on mutual fund coverage until the business finds where it stands on variable annuities, Mr. Lutnicki declared. John Hancock is approaching the variable annuity business from the standpoint of insuring mutual fund purchases and the public is entitled to the insurance.

Carlyle Dunaway of National Assn. of Life Underwriters agreed with Mr. Lutnicki that the new language doesn't accomplish anything, but said the subcommittee was not determining whether such business should be written but whether it is a proper form of group creditor insurance.

The subcommittee on tie-in sales with mutual fund shares got itself off the hook on this question by submitting a report which said the matter had been disposed of by the wording in the group life subcommittee report, which Mr. Lutnicki had argued had no effect.

The life committee received without comment the report of the subcommittee on credit life and credit A&H, which said in view of the installment sales subcommittee suggestion that the credit and installment subcommittees be merged, the credit committee was taking no action on the proposals before it. However, attached to the report were statements from ALC and LIA, NALU, Household Finance, and Beneficial Management Corp. dealing with a preliminary draft bill for the regulation of credit insurance as developed by ALC and LIA.

The variable annuities subcommittee report, also received without comment, commented only on the issuance of this business by a certain fraternal, and held it should be done only through legislative sanction and only under the safeguards recommended to the parent committee last December.

The report of the special policies subcommittee brought forth no discussion, either in the subcommittee or upon its presentation to the life committee. The subcommittee holds it is in the best interest of the public that companies desiring to do so may graduate their premiums or dividends by policy size, although the companies should show that any system of groupings is reasonable, equitable and non-discriminatory, and any differential in premium or dividend should be justified on the basis of a demonstrated differential in expense, mortality or other relevant factor.



Active research BRINGS SALES TO AGENTS

Security Life's "Research of Public Needs" are projected into its Plans and Policies and geared to meet today's market. Result? New wants created—new sales closed.

* NEW TERM PLANS * PRESIDENT'S TEN PLUS WITH NEW 5TH DIVIDEND OPTION
* \$25,000 MINIMUM ORDINARY * LIFETIME DISABILITY INCOME * LIFE PLUS TIME

* NON-CAN A&S

General Agent and agent franchises with vested renewals available in most states west of the Mississippi. A "Best" recommended company.
Write: J. F. Johns, First Vice President.



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June 1, 1956

\$5 Million Libel Suit Filed by President of Bankers L. & C.

John Mac Arthur, president of Bankers Life & Casualty, filed a \$5 million libel suit in federal court at Miami this week against Julius Gaines, Florida construction man, and Carl Byoir, New York City publicity man, both of whom were formerly associated with Mr. Mac Arthur in developing Carol City, a settlement northwest of Miami.

Mr. Mac Arthur's libel suit was initiated after some "very uncomplimentary" remarks were circulated and published by Mr. Gaines about Mr. Mac Arthur's company. Mr. Gaines also previously filed suit against Bankers Life & Casualty in federal court at Miami for \$889,657, charging that Bankers Life & Casualty had withdrawn promised financial support to the Carol City development project.

Mr. Mac Arthur has acknowledged that his company has withdrawn financial support to the Carol City project, but only after he was "convinced that the development was being adversely affected financially by certain contracting irregularities."

The libel question entered the picture, according to Mr. Mac Arthur, after Mr. Gaines, through Mr. Byoir, began circulating "damaging" remarks about Bankers Life & Casualty.

Mr. Mac Arthur has attached to his libel suit an affidavit by Mr. Gaines which quotes Mr. Mac Arthur as saying that his company never pays a claim of more than \$2,000 without a lawsuit and that the Gaines' suit would be "just one more" of 3,000 against the insurer.

Mr. Mac Arthur has denied these statements as "ridiculous." He said no insurance company president would make such remarks even if they were true. He said his company paid more than \$2 million in claims in Florida last year and the same time "contested

only two small claims in that state."

Mr. Mac Arthur declared that statements of Mr. Gaines were prepared by Mr. Byoir as alarming publicity moves, calculated to "injure him and his firm."

South Dakota Agents Elect Kettering President

Richard J. Kettering, Northwestern Mutual Life, Aberdeen, was elected president of South Dakota Assn. of Life Underwriters at a two-day meeting and sales congress in Rapid City, succeeding Webb Weir, Equitable Society, Rapid City. Vice-presidents elected are Harold Grant, Central Standard Life, Mitchell, 1st vice-president; Carl Ostergren, Northwestern National Life, Watertown, and Norman Stordahl, Lutheran Brotherhood, Sioux Falls. Arthur S. Mitchell, Minnesota Mutual Life, Brookings, is national committee man. V. G. Stoia, Aberdeen, was appointed secretary-treasurer.

The agents approved resolutions calling for adoption by the state legislature of a model agent's qualification law, also the adoption of an anti-tontine law and enactment of legislation which would put a limit on the amount of group coverage an individual can buy. The association designated Mr. Mitchell as "life underwriter of the year."

D.C. Elects Riordan

Howard J. Riordan, life manager of Johnson & Adams, Inc., general agents of Continental Assurance, has been elected president of District of Columbia Assn. of Life Underwriters to succeed J. Hicks Baldwin, general agent of New England Life.

Vernon R. Zimmerman, manager of Acacia, and Thomas R. Buchanan, New York Life, were elected 1st and 2nd vice-president, respectively. Glenn O. Montgomery, Metropolitan Life, Colin M. Campbell, Provident Mutual Life, and S. D. Trece, Acacia, were elected directors.

LOMA Promotes Two

Life Office Management Assn. has promoted Arthur J. Tufts to assistant secretary and Alden F. Jacobs to the new post of assistant treasurer.

Mr. Tufts, who joined LOMA as research associate in 1952, was director of planning of Equitable Life of Washington, D. C. Mr. Jacobs was director of personnel of American Casualty before joining the association as research associate in 1954.

New Arkansas Company

American Foundation Life has been chartered in Arkansas, the sixth new life company to be licensed in that state since the beginning of 1955. Prior to 1955 there hadn't been an application filed for a new life insurer in Arkansas since 1928.

Incorporators of American Foundation are L. H. Hinkle, Bernal Seamster and H. Faye Jones, all of Little Rock where the company is located. Mr. Hinkle, until recently with National Old Line, is president. Mr. Seamster, an attorney, is secretary.

The company is starting business with paid in capital of \$50,000, the minimum allowed under Arkansas law. Capital structure was set at 500,000 common shares at no par value, and 60,000 shares of \$5 preferred stock.

N.Y. Life Career Display

New York Life set up a career exhibit at the "parade of progress" held in Wilkes-Barre, Pa. The exhibit is placed at various civic and company functions around the country.

Free booklets are available at the display on 19 different careers described by experts. The company's career advertising is stressed. The most recent advertisement is "Should Your Child Go into the Mineral Industry?"

Says Special Plans Can Attract Able Employees

Corporations should consider using special insurance plans to attract and keep able men in key posts, Charles E. Tosch, account executive of Johnson & Higgins, told the spring insurance conference of American Management Assn. in New York City.

Mr. Tosch said companies might use extended disability coverages to pick up where salary continuance plans stop during long periods of illness; increase group life coverage in relation to executives' earnings; use the split dollar plan to help an employee obtain low cost life insurance; provide a deferred compensation plan to boost retirement income, and offer stock options to give executives a chance to acquire an interest in the firm.

High personal income taxes are making it increasingly difficult for executives to provide security for their families and save enough to provide capital for retirement years, he said.

Occidental Opens Georgia Agency

James G. Bonser, former agent for National Life of Vermont at Albany, Ga., has been named Occidental Life of California's first general agent there.

Four Lincoln National Conventions to Draw 500

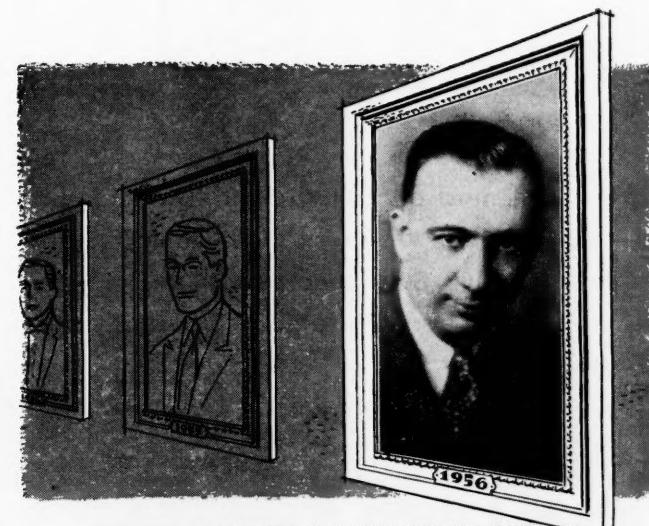
More than 500 Lincoln National Life men will attend company conventions this year. There will be four gatherings; the first at Hotel Del Coronado, San Diego, June 24-27. Others will be at the Homestead, Hot Springs, Va., July 8-11 and again July 15-18, and at the Greenbrier, White Sulphur Springs, W. Va., July 29-Aug. 1.

Bankers Life of Neb. Appoints Kemetick in D. C.

Bankers Life of Nebraska has appointed Walter Kemetick general agent at Washington D. C. Mr. Kemetick has been in insurance in Washington for a number of years.

Tennessee Sales Congress

A. R. Jaqua and Charles E. Gaines, director and associate director, respectively, of SMU Institute, and Paul W. Myers, manager of Commonwealth Life in Dayton, spoke at the sales congress sponsored by Tennessee Assn. of Life Underwriters. They appeared in Knoxville, Chattanooga, Nashville and Memphis where the local associations were hosts.



CLARENCE J. AMSTUTZ, CLU, YOUNGSTOWN, OHIO

1956 Hall of Honor

ANNUALLY, since 1931, the Equitable Life of Iowa has recognized, by its Hall of Honor award, pre-eminence among its field associates in matters of production, conservation, average size policy, and other major factors of effective career life underwriting. Once attained, the Hall of Honor award cannot again be won by the same individual.

Clarence J. Amstutz, CLU, Youngstown, Ohio, a member of the Company's Youngstown general agency since 1929, is the 1956 Hall of Honor agent. Notably effective as a career life underwriter, Mr. Amstutz was a member of the 1954 Million Dollar Round Table and has qualified yearly for membership in the Equitable Life of Iowa's President's Club.



Equitable
LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

Money Talks

It Says - Good Producers will see a lot more of me with No Increase In Effort with a Mutual Savings Life

DIRECT CONTRACT

DIRECT CONTRACT opportunities in Indiana, Ohio, Iowa, Kentucky, Missouri, Arkansas and Mississippi. A complete line of:

LIFE • ACCIDENT
• SICKNESS
• HOSPITALIZATION

Your reply held confidential. Write to:
Evans M. Jacobson, Supt. of Agents

MUTUAL SAVINGS

Life Insurance Company

5701 WATERMAN

ST. LOUIS 12, MO.

Guide to A&S Ad Rules Passes Muster at St. Louis Hearing

ST. LOUIS—The 32 pages of interpretation of the NAIC advertising rules for accident and sickness insurance were subjected to the rigors of a three-hour open hearing here in a prelude to the commissioners' meeting, with the weight of opinion favoring adoption substantially as written. Most of the time, however, was taken up with arguments against parts of the interpretative guide or some of the advertising rules themselves. Director Thomas Pansing of Nebraska, chairman of the subcommittee on A&S advertising rules, was in charge.

About 75 attended. No major changes were made in the draft of the guide.

Opening on a quiet, non-controversial note, Mr. Pansing offered a suggestion from Harold Bittel of New Jersey on "confining sickness," and there were some word insertions and deletion recommendations from S. B. Hutchinson, Washington National, chairman of the advertising rules committee of Health Insurance Assn., and Donald S. McNaughton of Prudential, who had some similar ideas from members of Life Insurance Assn. Messrs. Hutchinson and McNaughton said they would favor adoption of the guide with their amendments.

Artemus C. Leslie of Blue Cross Commission said his people could not see the reason, under the endorsement by third party rule (Section 15 of the code), for the prohibition of representing "that a policy or plan of an insur-

er is a community health plan or program unless such a policy or plan has been officially adopted by the particular community government for the residents of that community." He called on James E. Stewart, head of the Cincinnati Blue Cross and chairman of the commission's government relations committee, who said the insurance business is fighting a national battle "which can't be won," but which it must carry on until the whole solution is achieved by voluntary means. Nothing should be done to break up the united effort that has been made so far, Mr. Stewart warned.

Commissioner Sheehan of Minnesota took exception to this. If a community has adopted a plan as defined there is no violation, he said, "but anything beyond that would be misleading" and would be providing exemption for Blue Cross beyond what the commercial companies can get. Mr. Sheehan added he doesn't intend to placate anyone anymore on the question of state-federal jurisdiction. He intends to handle the problems as they come to the state and the state alone.

In the afternoon, however, when the subcommittee met to consider the suggestions offered in the morning, it was decided to eliminate the word "officially" before the word adopted and to add at the end of the sentence "or has been officially so designated by law."

Moses G. Hubbard of Commercial Travelers of Utica, who has maintained an unblemished record of opposition to much of what has gone into the advertising rules, presented three ideas for wording to be added to the preamble of the interpretative guide:

1. "Where an advertisement invites the reader to secure additional information regarding provisions of a policy, the advertisement and the informative material supplied in response to a request therefor shall be considered as a unit in determining whether or not the advertisement thus completed is misleading."

2. "If an advertisement is in fact fair, honest, and properly informative it shall not be construed to be false, deceptive, or misleading under any code rule or any interpretation thereof."

3. "Compliance with these rules shall constitute compliance with the law."

If these additions were made to the preamble, Mr. Hubbard said, "our objections to the rules themselves would be greatly minimized despite the inept and confusion language which several of the rules contain."

The thought behind combining the invitational ad and the follow-up, Mr. Hubbard explained, is that the mail order companies feel they can't get a reader interested in an ad unless they say enough to arouse his curiosity, but if as a consequence of saying enough there must be appended to the ad exclusions, reductions and limitations, the possibility of having anyone write in for further information is practically zero. If the reader goes so far as to inquire for more information, that information should be complete, Mr. Hubbard said, and the invitation to inquire then would be combined with the additional information in its test with the advertising code. If the reader doesn't send in for more information he can't get insurance and can't be deceived.

Only last Thursday, Mr. Hubbard said, FTC struck from his answer to a citation against one of his companies

the defense that the advertising conformed to FTC rules. That is the reason for wanting the statement that compliance with the rules is compliance with the law.

Mr. Hubbard took a roundhouse swing at rule 11B, requiring direct mail companies to tell them where they are or are not licensed, declaring it was not inserted in the code for the protection of the public but to limit the operations of these insurers. A statement, by whomever made, is either true or false, he said, and it is damaging to a company to require it to say it is licensed in New York only, for example.

Now that the emergency with the FTC is over, Mr. Hubbard said, why can't the code and the guide be reconsidered?

Mr. Pansing said one of the committee's functions will be to keep the code in workable form and to amend it whenever necessary.

John Panchuk of Federal Life & Casualty suggested the guide should be adopted strictly from the state point of view, not FTC's. It won't help the state to have an eye on FTC, he commented, but FTC is scrutinizing the industry and the NAIC, especially in regard to sustaining its own opinions, FTC uses against the business at hearings whatever implications or inferences it can get from the industry's own record. Cases now before FTC could be prejudiced by inclusion of some of the guide material. The companies are entitled to stub their own toes once in a while, he added, wondering if adoption of the guide might be deferred.

Mr. Pansing responded that the rules and guide were worked up to meet the clamor of the industry for uniform state interpretation of A&S advertising.

Roy Kiester, attorney for several insurers, took up Mr. Hubbard's cause in objecting to listing all exclusions, etc., in ads, calling attention to newspaper accident policies which he said could be driven out of the market for lack of appealing ads under the rules.

Another unsuccessful attempt was made by James L. Moorefield of Massachusetts Protective and Paul Revere Life to include in the rules or the guide a definition of non-can A&S. Variable premium guaranteed renewable A&S is not true non-can, Mr. Moorefield argued, and terming such coverage non-can lessens the advertising capabilities of his companies in referring to their position as leading writers. Many states require a guaranteed premium in order to advertise a policy as non-can, and the guide, he remarked, might well include a definition. Perhaps a change in compiling statistics for the annual statement would also be in order. To name the modified premium guaranteed renewable cover correctly, Mr. Moorefield offered "can-can" to go along in the "can" and "non-can" terminology.

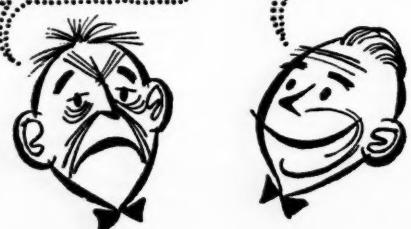
Kidder Peabody Prepared Table of Operating Results of Stocks

The table showing operating results of 21 life companies' stocks at the end of 1955 which appeared in the May 11 issue of THE NATIONAL UNDERWRITER was compiled by Kidder Peabody & Co., New York. Credit for the compilation was inadvertently omitted when published.

Old Line Life's general agency at Madison, Wis., has moved from 2702 Monroe street to 351 West Washington avenue, where it occupies the entire second floor. John R. Sabin is general agent.

IM HAVING A TOUGH TIME PLACING ALL MY SUBSTANDARD SURPLUS BUSINESS.

WRITE UNITED LIFE THEY'LL ISSUE UP TO TABLE P!



Even your most difficult cases in this field get top consideration! We're specially-equipped to handle ALL your Substandard-Surplus business with ease and speed. Write now for actual case histories.

For Complete details
write Dept. NU-1

UNITED
LIFE AND ACCIDENT
INSURANCE COMPANY

Concord, New Hampshire



Woodmen now offers Free Treatment Near Home for members afflicted with Pulmonary Tuberculosis

In step with modern medicine, Woodmen of the World is now offering a new, better plan for treatment of its tuberculous members. Afflicted members with a year or more of membership now will receive free treatment at nationally recognized hospitals near their homes, or as outpatients if authorized. This free hospitalization is another "plus" benefit of the Society's extensive fraternal program.

World's Financially Strongest Fraternal Benefit Society

WOODMEN OF THE WORLD
LIFE INSURANCE SOCIETY
Home Office: 1708 Farnam Street
Omaha 2, Nebraska



Industry Urges NAIC to Assert Control over Welfare funds

ST. LOUIS—Strong encouragement for NAIC to assert itself as having regulatory jurisdiction in the field of commercial pension and trusted welfare funds was offered the subcommittee on that subject by members of the insurance industry. Chairman Joseph Navarre of Michigan said NAIC's problem is chiefly how it should get into the act. In preliminary discussions he said, a three-way plan of action had been advised: To have NAIC adopt a resolution favoring state legislation requiring registration and disclosure of welfare fund information; a memorandum of information to be attached to the resolution showing the areas of regulation involved and additional information indicating what the components of such legislation should be.

Albert Pike of Life Insurance Assn. said his organization has filed a statement with the commissioners holding that this is a state responsibility. Some wrongdoings, mainly commissions, were mentioned in the Douglas subcommittee report to the Senate which are within the state area, he said, and LIA favors the drafting of legislation to require companies to file commission scales on employee welfare funds and additional legislation prohibiting commissions to parties having a conflict of interest by reason of their connection with welfare funds. The public doesn't differentiate between insured and uninsured pension or welfare plans, Mr. Pike observed, and whichever kind gets into trouble the reaction is on the insurance business. The six-point program of LIA would call for registration of funds; periodic examination of funds (to be paid for by the funds); annual reports on financial condition of the funds to the states; enforcement provisions; reciprocity arrangements between states for funds crossing state lines; and prohibition of payment of commis-

sions to parties with presumed conflicts of interest.

The situation is serious, Mr. Pike added, in light of the Douglas report, and he said he hoped something could be done at the St. Louis meeting so that the show will be well on the road before the 1957 legislatures meet.

Robert Crichton of American Life Convention, seconding Mr. Pike's remarks, said the effect of the problem is not limited to writers of pension or welfare funds, but by implication involves all the business. This is one more example of how the government gets the insurance business picture in parts, he noted, mentioning the FTC situation as another.

Alexander Query of Prudential, backing up Messrs. Pike and Crichton, said he spoke only to put emphasis to the industry viewpoint by repetition. Action at St. Louis is vital, he declared, so that at the December meeting it can be approved finally and language of the legislation can be ready. Legislation in the states doesn't have to go as deep as the Douglas report, Mr. Query suggested. It could cover only the fund itself; in other words, cover what has been disclosed rather than anticipating what might happen.

Milton Shalleck of New York wondered if such legislation would cover jointly administered plans or take in unilaterally administered plans as well. Mr. Query said both. Should self insured funds be made to meet the legislative requirements? Mr. Shalleck asked. Whether or not a fund is doing an insurance business it should be subject to the minimum type of legislation suggested, Mr. Query answered.

N.W. Mutual Appoints GAs at Tulsa, Durham

John G. Darling, Tulsa general agent for Northwestern Mutual Life since 1950, will head the company's North Carolina general agency, succeeding the late L. Watts Norton. John J. Stoia, who has been with Northwestern at Sioux Falls, S. D., for the past 10 years, will succeed Mr. Darling at Tulsa.

Mr. Darling will maintain headquarters at Durham. He joined Northwestern in 1933 and was at Milwaukee and San Diego before going to Tulsa. He is a past president of Tulsa General Agents & Managers Assn., Tulsa and San Diego Life Underwriters Assns., and Tulsa and San Diego CLU chapters.



J. G. Darling

Northwestern National Promotes 2 Group Men

John E. Pearson, regional group manager at Houston for Northwestern National Life since 1953, has been promoted to group sales manager for the company. He is succeeded at Houston by Duane C. Peterson, formerly regional group manager at Nashville. Both men have been with Northwestern National group department since 1949.

Equitable, Ia., Sets 4-Month High

Equitable Life of Iowa's production for the first four months of 1956 reach a record high of \$51,181,121, a 5.4% increase over the corresponding period in 1955. Life in force at the end of April was \$1,441,942,795. The Griffin, Ingram & Pfaff agency, Chicago, leads the company.

Mutual Names Devitt to Module Post

Mutual of New York has appointed James E. Devitt director of module operations.

Mr. Devitt has been with Northwestern National Life since 1951 and secretary of the group department since 1952. He previously was in private law practice and accounting in St. Paul and taught business law at University of Minnesota.

N.Y. Slot Machine Policy Law

Gov. Harriman of New York has signed a bill requiring that vending machines, offering life policies which are not valid unless signed, carry this information on the machine in letters at least a half-inch high. The bill has the effect of preventing anyone but the insured from buying the insurance.

FIDELITY

A WELL-BALANCED COMPANY



*B*alance...
essential in architecture
...a goal in Life Insurance.
**Fidelity is
a well-balanced company.**

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

- PROFIT SHARING PENSION PLAN
- IMMEDIATE HOME OFFICE SERVICE
- COMPLETE, CONTINUING SALES AIDS
- EXTRA LIBERAL CONTRACTS
- EARN WHILE YOU LEARN TRAINING
- COMPLETE LINE OF INSURANCE TO SELL

**\$181,311,057.00
of ORDINARY, MONTHLY
and WEEKLY DEBIT,
GROUP and CREDIT
LIFE INSURANCE IN FORCE,
AS OF APRIL 30, 1956**



LIFE Insurance Company of MISSOURI

705 CHESTNUT • ST. LOUIS 1, MO.

ON VESTED BANK LOANS RENEWALS
THREE OR FOUR YEAR REPAYMENT

UNDERWRITERS CREDIT & GUARANTY CORPORATION
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S. F. General Agents State Outing
San Francisco General Agents & Managers Assn. will hold its annual "Play-Day" June 21 at the Peninsula Golf & Country Club. New officers will be elected at the affair.

EDITORIAL COMMENT

4-D Checklist Helps Sales Interviews

At a recent convention of Provident Life & Accident, Charles J. Zimmerman, the newly elected president of Connecticut Mutual Life, said that while life insurance should always be sold in a constructive affirmative way, no life insurance salesman should neglect to mention or at least suggest the four basic reasons for its purchase which are death, disability, dependency and duty.

These are four words that some life insurance men do not like to express during the course of a sales talk or at least they seem unwilling to mention all of them. It is of course true that

prospects should be persuaded to buy life insurance so as to be certain of a richer, better, fuller life, but it is also a fact that prospects are motivated to buy when the salesman who is discussing life insurance with them is not afraid to discuss as much as may be needed the basic, fundamental reasons for life insurance purchase.

In his talk it was Mr. Zimmerman's suggestion that every life insurance salesman check with himself as to whether during his interviews he was always mentioning not just one or two of the four D's but every one of them.

Today's Baby, Tomorrow's Competitor

It is increasingly obvious that the large life companies are almost surprisingly uninterested in the organization, operations, and stock-selling activities of new life companies. The home office officials of the large and long-established insurers and most of their general agents and managers seem to be quite indifferent to everything that the remarkably large number of new companies are doing. The larger companies appear to be unperturbed by this new competition or even to take much note of its existence.

There are at least some who feel that more serious attention should be paid to what the growing number of new life companies are doing. Those who feel this way say there is significance and importance in the fact that there are now more than 1,000 legal reserve life companies in the United States, that the number is growing monthly and that a decade ago there were only half as many in operation.

It is true of course that this is not something that has happened on a country-wide scale. There are now more than 300 legal reserve life companies in Texas but the situation there has been so extraordinary as to be anything but typical. But in addition to Texas, a great number of new companies have been organized in Indiana, North Carolina, South Carolina, Georgia, Louisiana and Arizona. In contrast, there are many states in which no new companies have appeared for several years. It is in the states that are living in the midst of a big boom and enjoying an unusual population growth that most of the new companies have been organized.

In such states, selling the stock in a new company is not the formidable

problem that it used to be 20 or 25 years ago. In the areas where everybody is making plenty of money, the economy is booming, the population is on the upswing, new industrial operations are being carried forward on a large scale and the future looks bright and rosy, it is not too hard a job to sell \$100,000 of stock in a new life insurance company. In many cases the par value is \$1 and the stock is sold at initially say \$5 a share, in this way providing \$1 of capital and \$4 of surplus for each share sold.

When the company is licensed it goes out after business on an aggressive scale, expanding and developing so rapidly that in a relatively short time its surplus has been exhausted. Undismayed by this, most such companies offer the stockholders another \$100,000 worth of stock purchasable in proportion to the shares already owned and priced at \$5 or perhaps even more.

This second issue is usually absorbed and sometimes over a period of 10 years the capital will be increased this way three or four times. This means that a new life company can spend almost as much money as it wishes to in getting business on the books and establishing itself without taking a quarter of a century or so, as was formerly needed, but in so short a time as from five to 10 years.

Most of those in the financial world do not feel that such a favorable situation will continue indefinitely but the point is that it has already been in effect long enough to establish a large number of these new companies on a firm foundation. If the economy of the country continues to be even as good as it has been for another three to five years, it should be possible for most of the new companies to be by

that time in good shape as to their assets, reserves, capital and surplus and then if necessary they can slow down their new business drives and operate in a very much more restrained way while showing satisfactory progress.

If something like this happens, it means that looking ahead there are going to be in a few more years, 1,200 to 1,500 legal reserve life companies, most of them in at least reasonably good shape financially and able to weather some adverse conditions. It must be seen that this many companies operating not merely in the areas where they are now but spread-

ing themselves out over the country will finally provide enough competition for the large and long-established companies to make themselves felt in a definite and continuing way.

It is true that some of the new companies will merge or go out of business but even allowing for a percentage of them withdrawing in this way there will certainly remain very many more companies providing more competition than ever has been the case in the past. The effect of the competition of these new companies seems not to have been felt to any extent so far, but it is hard to believe that will not be with the passing of time.

PERSONAL SIDE OF THE BUSINESS

T. P. Beasley, president of Republic National Life, was elected vice-president of National Council of YMCA's at a meeting in Boston.

John D. O'Hara is back with Equitable Life of Iowa at Indianapolis after two years in the army.

Harold J. Cummings, president of Minnesota Mutual Life, has been elected president of Greater St. Paul, (Minn.) Community Chest & Council.

W. Lee Baldwin, formerly president of Security Life & Accident and now insurance management consultant at Denver, was confined to St. Joseph's hospital, Denver, where he underwent surgery.

Federal judge **John B. Sanborn**, former Minnesota insurance commissioner, was one of six graduates of the University of Minnesota to receive the university's outstanding achievement award at an alumni reunion banquet. Mr. Sanborn is now U. S. circuit judge for the 8th district which includes Minnesota.

Miss Audrey Mondazzi, a staff member of the division of statistics and research of Institute of Life Insurance, has married Robert V. Fallon, a rater in the fire rating department of Associated Reciprocal Exchanges.

Raymond C. Johnson, vice-president in charge of agency administration of New York Life, has received the 1956 alumni achievement award of University of Arizona as an outstanding alumnus.

Albert G. Schmedeman, vice-president of National Guardian Life, and Mrs. Henry Davies Nesbit were married.

H. Lorette Harvey, Equitable Life of Iowa, Kalamazoo, Mich. will leave June 15 with Mrs. Harvey for a trip abroad. The couple will visit England and Scotland and about seven countries on the continent, returning late in the summer. While in France the Harveys will visit Fougeres, the city

"adopted" by Kalamazoo after World War II.

George Aitken, assistant general manager and comptroller of Great West Life, has been reelected chairman of the national executive committee of Canadian Red Cross Society.

DEATHS

J. Vincent O'Connor, 50, associate counsel of Equitable Society, died of a heart attack at his home in LaGuardia, Queens, N. Y. He was on the legal staff of Reconstruction Finance Corp. in New York before he joined the company 10 years ago.

Alfred VandeZande, 62, former Wisconsin commissioner, died of a heart attack at his home in Campbellsport, Wis. Mr. VandeZande had 6 years experience in insurance prior to his appointment as commissioner last July, most recently as local agent for and president of Campbellsport Mutual Fire. He served in the Wisconsin assembly for four consecutive sessions and was elected to the senate in 1948. During the 1955 legislature he was chairman of the senate committee on labor, insurance, taxation and banking. He was widely known for his work on highway safety legislation. He succeeded John R. Lange as commissioner in July, 1955, and was succeeded by Paul Rogan in October, 1955, when he resigned on the advice of his physician and went to Florida for rest. He returned to his home in Janesville but had been in failing health since that time.

Walter B. Patterson, 72, retired district manager for Prudential at Springfield, O., died there in Mercy hospital. He also was a Prudential district manager at Mansfield, O.

Harry A. Probst, 76, with Travelers at Dayton, O., for the last 5 years, died.

The NATIONAL UNDERWRITER

—Life Insurance Edition

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PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert L. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—Flintron Bldg., 10 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



June 1, 1955
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Goals and Schedule Help Build Manpower, Schaaff Advises GAs

Vice-president Charles H. Schaaff, at the annual meeting of Massachusetts Mutual General Agents Assn. in Hollywood, Fla., made some suggestions to help build manpower.

The general agents should set sensible goals for themselves, get on a recruiting schedule and stick to it week after week, Mr. Schaaff said. They should do something about new manpower every day. They should visit other general agents to learn how the job is being done successfully. When selecting, they should choose men with a market and teach a sales procedure adapted to the individual and his market. And they should determine their goals in life and in their agencies as related to their philosophy and purpose.

Addressing the Leaders Club conference, also in Hollywood, Mr. Schaaff said the company is a leader in the business because of its philosophy and attitude, its home office and field management, its contracts, its compensation plan and its representatives.

He said he found these seven attributes present in all leadership classifications: Integrity in normal business dealings; loyalty to oneself, each other, the company and an ideal; willingness to work and put in a little extra effort; ability based on study and training; a tested and proved plan of operation which is definite and grooved as a habit; a sincere desire to serve; and a burning desire to accomplish something, get ahead and become a leader.

Richard J. Katz, Rochester, was awarded a plaque as "man of the year" by Mr. Schaaff at the Leaders Club meeting. Mr. Katz led the field force with sales of \$3,523,500 of ordinary in 1955. With the company since 1929, he has been a Million Dollar Round Table member for 12 consecutive years.

Hillard J. Aronson, Springfield, Mass., and Jerold I. Rosen, Omaha, were awarded plaques at the Leaders Club meeting for winning 6-month production contests following graduation from home office career schools. Mr. Aronson, who joined the company in 1954, paid for \$558,875 on 42 lives. Mr. Rosen, who joined in 1953, produced \$575,750 on 26.5 lives.

General Agents Assn. awarded its annual CLU scholarship to C. William Scott, Kansas City, for displaying the greatest value to the company, the CLU movement and the agency during the last Leaders Club year. The award entitled Mr. Scott to attend the CLU institute, one of which will be held at University of Wisconsin, for advanced study. He joined the company in 1950, is a Million Dollar Round Table member and past president of Kansas City CLU chapter.

Minor Fire Routs 600

RICHMOND, VA.—Home office employees of Life of Virginia were temporarily routed from the building by a small fire caused by a spark from a welder's torch which ignited insulation, causing dense smoke. Approximately 600 employees waited an hour while firemen extinguished the fire and cleared the building of smoke and fumes. The blaze occurred in a new addition to the building and caused little damage.

To Mutual, N. Y., Brokerage Posts
Mutual of New York has named as brokerage supervisors Francis L. Farrell in the Durning agency, John E. Feeney in the Buesing agency, Henry

K. Hotarek in the former Kassoff agency, all at New York City, and William G. Babecki in the Clawson agency at Oak Park, Ill.

Mr. Farrell entered the business with New York Life in 1955. Mr. Feeney has held a New York Life brokerage post. Mr. Hotarek has been in brokerage work in New York. Mr. Babecki has been brokerage supervisor of Occidental of California in Chicago since 1953.

N.Y. Life Names Two Training Supervisors

New York Life has appointed John P. Shine and Ralph W. Thomas training supervisors of the northeastern and southeastern divisions, respectively.

Mr. Shine joined the company in 1951 and has been assistant manager at Niagara Falls. Mr. Thomas joined in 1946 and has been associate manager at Evansville, Ind.

Equitable Sales Drive Breaks All Records

Equitable Society's annual president's month campaign has broken records in every category, with a total of 80,942 ordinary cases written, up 10,551.

The southern department led with 173.2% of quota, followed by the north central and western departments.

First-place national agency winners were Vossmeier, Louisville, 390.5% of quota; Holderman, Peoria, 4,044 ordinary cases and ordinary volume; Speer, Pittsburgh, group volume. The Tilley unit of the Vossmeier agency led in points and ordinary cases, and the Watts unit of the Ferebee agency in Richmond won ordinary volume honors.

Highest scoring agents were C. A. Woodall Jr., Louisville, 245 ordinary cases, and D. M. Lake, Memphis, group case credits. President's Club membership was attained by 1,404 agents, up 554.

Premium Tax Revenue in Nebraska up 21%

The revenue from taxes on insurance premiums in Nebraska has increased 21% in the past year from \$2,576,000 to \$3,120,701, indicating a sharp increase in insurance business in that state.

The premium tax provision, enacted by the 1951 legislature, is 2% on premiums received by non-Nebraska companies and .4% on Nebraska companies.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, May 29, 1956

	Previous Week's Bid	Current Week's Bid	Bid Asked
Aetna Life	175	179	182
Beneficial Standard	28½	27½	28½
Cal-Western States	100	95	100
Colonial Life	114	110	115
Columbian National	90	86	90
Commonwealth Life	20½	20¾	21¼
Connecticut General	243	228	234
Continental Assurance	127	116	120
Franklin Life	87½	85	87
Great Southern Life	86	86	92
Gulf Life	30	29½	30½
Jefferson Standard	118	118	122
Kansas City Life	1290	1270	1300
Life & Casualty	36½	36½	37½
Life Insurance Investors	14½	14	14½
Lincoln National	208	210	215
Missouri	22	22½	23½
National L.A.&	87½	87½	89½
North American, Ill.	21	20½	21½
N.W. National Life	81	80	85
Ohio State Life	225	225	235
Old Line Life	57	55	60
Southland Life	105	100	108
Southwestern Life	102	98	104
Travelers	74	73	74
United, Ill.	25½	22¾	23¾
U.S. Life (New)	35	30	32½
West Coast Life	50	47	50
Wisconsin National	54	52	55

Chicago Roundtable Now Ill. A&S Forum; Letzsch New President

Chicago A&H Underwriters' Roundtable, after more than seven years existence as an informal discussion group, at its May meeting adopted a new constitution, changing its name to Illinois A&S Underwriters Forum, and elected new officers.

The new leaders are Walter Letzsch, Central Standard Life, president; Edward Ryan, Municipal, 1st vice-president; Robert Flory, Continental Assurance, 2nd vice-president; Jack Robinson, Prudential, 3rd vice-president; Al Rose, Retail Credit, treasurer; Kenneth Reed, Hooper Holmes, recording secretary, and Verne Walker, American Service Bureau, corresponding secretary. The three vice-presidents will also serve as chairmen of the programs and arrangements, publicity and public relations, and membership and attendance committees respectively.

The constitution, adopted by unanimous approval of the 36 members present, is the product of the constitution committee and competent and recognized legal assistance in the field, and was so conceived that any other city or state group of A&S underwriters can adopt it for their own use merely by changing the name.

Membership in the forum shall be on an individual and not a company basis. Any person presently or formerly engaged in underwriting or any other servicing function of A&S insurance and any person connected with companies, publications or trade associations in the A&S insurance industry shall be eligible for membership. Those persons joining the forum at the May meeting through the June 21 meeting will be charter members.

Herb Nietzold, Bankers Life & Casualty, retiring chairman, was the prime mover for the adoption of a constitution, and the committee working with him on formulating the document along with selecting the slate of officers was comprised of Leona Davis, Guarantee Reserve Life, Hammond, Ind.; Mr. Letzsch; James Warnken, Modern Life & Accident, and Mr. Robinson.

Movies and entertainment were held after the business meeting.

Pilot Life Host to Spring Meeting of Middle Atlantic Actuarial Club

Pilot Life was host to the spring meeting of Middle Atlantic Actuarial Club. President Richard Glazier, actuary of Life of Virginia, conducted the 1-day session which was attended by 50 persons. J. M. Waddell, executive vice-president of Pilot Life, extended the welcome. A variety of actuarial subjects was discussed.

Williams, Southland President, Heads Dallas Insurance Club

Dan C. Williams, president of Southland Life, was elected president of Dallas Insurance Club at its annual meeting, succeeding C. M. Patrick, local agent. Vice-presidents are George W. Jordan, assistant general manager, southwestern department, General Adjustment Bureau, and August R. Buchel, vice-president of Gulf & Atlantic. Arthur E. W. Barrett, local agent, was elected secretary, and P. H. Huffstetler, Great Southern Life general agent, treasurer.

American Bankers Names Sexton

American Bankers Life of Miami has appointed Leo Seton general manager of the agency department. He is a former regional manager of John Hancock and director of agencies of American National.

Your Mutual Benefit Life
Man says:



"Life insurance is like a suit—unless it fits—the client won't be happy."

"Fitting" life insurance to the individual's needs is the foremost Mutual Benefit Life philosophy. And it's one that's shared by every Mutual Benefit Life agent. It means more study, more training and more service to the client. But it also means "happy" clients—and more success, as in the case of Frederick Hamnett of Trenton, whose clientele has grown by leaps and bounds right from the beginning. The Mutual Benefit Life Insurance Company, Newark, New Jersey.



Stafford Elected President of Life Insurers

(CONTINUED FROM PAGE 1)

year included contemplated increases in premium taxes in a number of states and state bills regulating A&S in various ways, Martin B. Williams, executive director, reported. The effects of the latter bills in North Carolina, Ohio and Georgia are still to be established and the need for revenue in state governments makes the threat of increased premium taxes a serious one.

In view of the 50th anniversary of the conference in December, 1960, a special history commission was set up under J. R. Leal, retired vice-president of Interstate Life & Accident, and a past president. Mr. Leal is now en-

gaged in documenting the first 10-year period of conference history.

Briefly reviewing his 10 years of service to the conference, he said membership had grown from 60 companies to 92, premium income from \$200 million to \$1½ billion, and insurance in force from \$5 billion to \$45 billion. These figures represent 23,000 employees other than agents and 62,000 agents. He pointed out the need for doing a continuing public relations job in explaining and interpreting the business to the public and suggested utilizing the army of agents representing member companies to help do an educational job.

In a period of worldwide tension, the individual cannot help but feel the imminent threat of personal insecurity and as a result, demands, and searches for, every possible means of protection against all of the hazards of life, Robert R. Neal, general manager of Health Insurance Assn. of America, stated.

With A&S operating in an area which can often touch people in a highly emotional way, wider clarity of understanding is of utmost importance in attaining an even more friendly climate of operation. That will be the principal start of the industry's new public relations effort, to improve understanding and thereby increase friendliness and acceptability.

The new association has five functions, as provided in its constitution: To engage in research, to provide a forum for discussion and to disseminate information on matters of interest in the A&S field; to express its views on matters affecting A&S; to establish standards of ethical conduct to be observed by members as a condition of membership; to promote understanding of and to maintain the confidence of the public through adequate information and education, and to engage in such other activities as will further its purposes.

Perhaps the most far-reaching issue in the business at the moment, Mr. Neal said, is the federal trade commission A&S insurance advertising investigation and the commission's order in the case of American Hospital & Life, which held that the states have no power to regulate interstate commerce, this being reserved to the federal government.

"This attempt by FTC to assert its jurisdiction as being paramount to that of the states is directly contrary to the intent of Congress that the right to regulate commerce should rest with the states," he declared. "That matter will probably find solution in the courts."

Continued litigation by FTC on A&S advertising long since discontinued and conformity to National Assn. of Insurance Commissioners and FTC rules when the latter are published makes it difficult to see how the public will be further served. If advertising conforms to these regulations, the whole question of jurisdiction ceases to retain a realistic flavor.

While the social security bill has been stripped of its total disability provision and the provision for reducing the retirement age for women to 62 has been restricted to widows only, Mr. Neal predicted the vote to restore these amendments and add others is expected to be very close. A division



Pictured at the Life Insurers Conference meeting at White Sulphur Springs: H. G. Zelle, Life of Missouri, the outgoing president; J. L. Anthony Jr., Swanee Life and P. L. Hay, Bankers H. & L. Picture by Guy Ferguson of Ferguson Personnel, Chicago.

has been organized for information and research activities and will conduct searching studies of the business. The division concerned with education services will concern itself with such services as policy design, marketing methods, and underwriting procedures, keeping companies abreast of changing conditions. Health Insurance Institute will be concerned with the broad field of public relations.

The time has never been more important than now to have an effective means of presenting the viewpoints of the business to the insurance commissioners, Commissioner Thomas J. Gillooly of West Virginia said in his welcoming address. It is essential to have swift and cooperative action between the companies and the commissioners. As a commissioner, he said he had seen on many occasions the contributions of such associations as Life Insurers Conference for the betterment of the business. Development of an A&S advertising code is a major step forward. It needs to be dealt with comprehensively on a uniform basis, he said.

In a formal ceremony, the commissioner made the officers, executive committee, and staff of the Conference members of the Supreme Lodge of the West Virginia Assn. of Ridge Runners. Panel forums on public relations and field problems were the high spots of the last day's session and took up the entire morning.

Mr. Briggs was moderator of the public relations discussion, assisted by John Moyler, Jr., 2nd vice-president and director of public relations Life of Virginia; H. E. Nelson, director of public relations Life & Casualty; Al B. Richardson, vice-president, public relations, Life of Georgia and Po-

well Stamper, assistant vice-president National Life & Accident.

Mr. Moyler discussed newspaper advertising and that done in connection with life underwriters associations and life insurance "weeks". Usually managers want the size of the space to be sufficient to compete with other advertising. While he cooperates as much as he can, Mr. Moyler prefers smaller and more frequent insertions. He questioned the effectiveness of one "short" insertion.

How his company has capitalized on the construction of its new home office building in Nashville to gain favorable publicity was illustrated by Mr. Nelson. He described how facilities were made available to the public for keeping in touch with developments during actual construction, letters sent to neighbors within a 3-block area, information published in home office and field publications to keep employees informed, and other general publicity.

Mr. Richardson, who is also president of Life Advertisers' Assn., said it is important to have a definite procedure for handling donations and contributions. Indiscriminate giving is a waste of policyholder funds and causes the company to be placed on "sucker" lists. It is desirable to have a reputation for careful, discriminating, planned giving. Refusals should be given in a friendly, straightforward manner, accompanied by an explanation. Promptness is essential. Life of Georgia gives to community chests in district office cities, upon request of the local manager, on the basis of the district premium income in proportion to that of the company as a whole.

The results of a survey made to determine what companies were doing to simplify their policy contract verbiage and format were reported by Mr. Stamper. Policy contracts can be simplified, he asserted. In general, companies are studying their policy contracts and other printed communications with the public to make them more attractive in appearance, less wordy, and eliminating technical and legal phraseology whenever possible and substituting everyday language in their places.

A. M. Orgain, 2nd vice-president Life of Virginia, moderated the panel on field problems, assisted by J. G. Bruce, vice-president and secretary Colonial Life; C. R. Clements, Jr., vice-president in charge of field management National Life & Accident; L. L. Hoecker, executive vice-president and secretary Home State Life, and H. D. Parker, agency vice-president Commonwealth Life. The discussion centered largely around the points raised in a questionnaire returned by members and evoked considerable interest as evidenced by the audience participation.

In his talk, "Harmony Through Understanding," Stanley C. Collins, Met-

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

TWO EXECUTIVES WANTED ASSISTANT DIRECTOR OF AGENCIES—LIFE AND ASSISTANT DIRECTOR OF AGENCIES—A & H

Progressive, fast-growing, conservative New England Life company has challenging opportunities for the two executives mentioned above. Young college men preferred who are looking for an outstanding chance to do big things with a company that is forging ahead rapidly. The executives we require are to handle and supervise all of the Home Office inside sales and sales promotion work in their departments. Experience in such work essential. Interesting compensation will be arranged. Give full details of experience in first letter and a meeting will promptly be arranged. Write Box M-73, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

OUT WHERE THE SUN SETS Life Supervisory Position

To a man with at least 3 to 5 years of life management experience . . . either company or agency . . . age 30-40 . . . with a yen to kiss snow goodbye for pleasant year 'round living, an unusual California opportunity beckons.

Responsibilities will be supervisory: agency recruiting, training, counseling general agents, assisting Pacific Coast superintendent, New York operating company. Pacific Coast Home Office under construction.

Excellent initial opportunity. Salary commensurate with responsibility. Will move right man. If interested, give full resume background and experience. Inquiries will be held in strictest confidence. Write Box M-76, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY MANAGERS WANTED

To spearhead expansion program of one of nation's top fifteen life companies, 26 appointments will be made this year in U.S. and Canada. Prompt, confidential interviews will be granted qualified applicants. Send complete résumé to: Box #K-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.



Joseph M. Bryan, 1st vice-president of Jefferson Standard Life and chairman of Pilot Life, shown with O. F. Stafford, president of Pilot Life, who was elected president of Life Insurers Conference at the White Sulphur Springs meeting. Mr. Bryan is president of American Life Convention. Picture by Guy Ferguson of Ferguson Personnel, Chicago.

retured at Insurers Conference meeting Subsidiary Life of Michigan, the outgoing president; J. L. Hay Jr., Superior Life and H. & L. by G. F. Son of Personnel.

A picture on up-to-the-minute legislative developments in Washington was given by E. M. Thore, general counsel Life Insurance Assn. of America. A similar job for the federal income tax problem was done by Claris Adams, executive vice-president and general counsel American Life Convention.

The major difference between the United States and Russia "is the fact that selling puts life into our economy," George A. Saas, president of Saas & Sogard, Indianapolis, declared in his address. As good as life insurance is, the agent has to beat peoples' brains out to get them to buy. When they get older, they are sorry they didn't buy more. The common denominator for good salesmen is that each customer thinks he has a good buy, he stated.

The secret in successful salesmanship is attitude, that something special or extra evidenced in the old-time baker's 13th doughnut. There are three principles, he said: Always be selling, make your story attractive, and make your story simple.

Making a vigorous call for abolition of the income tax, T. Coleman Andrews, president and chairman of American Fidelity & Casualty and former internal revenue commissioner, spoke along the lines of his articles and talks which have appeared prominently in the press in recent weeks. He termed the income tax a socialistic method of taxation, saying "A way should be found to finance legislation the government requires without taxing ourselves into a socialistic state. We must stop the business of penalizing success." He urged that Congress appoint a committee to study the entire tax and revenue system of the government for the purpose of recommending a reasonable and equitable tax system. Such a plan could be produced within four years.

Winners of the publication awards received their certificates at the banquet from President Zelle. They were accepted individually for their companies by J. L. Briggs, vice-president and director of public relations Southland Life, whose *Southlander* was adjudged best printed monthly for company with industrial receipts in excess of \$5 million; J. C. Greer, chairman Union National Life, *Record*, best mimeographed weekly; Guilford Dudley, Jr., president Life & Casualty, *Mirror*, best printed weekly; W. S. Frank, vice-president and secretary Progressive Life, N.J., *Review*, best mimeographed monthly; J. H. Gruben, agency assistant American National, *Star Bulletin*, best multilith, and Atlantic Life, *Currents*, which did not have a representative present, the best printed monthly for company with industrial receipts under \$5 million.

Past presidents honored at the banquet speakers' table were E. T. Burr, Durham Life; F. P. Samford, Liberty National; E. W. Craig, National Life & Accident; E. H. Speckman, Kentucky Central Life & Accident; Bascom Baynes, Home Security Life; H. C. E. Johnson, Interstate Life & Accident; J. D. Morse, Home State Life; E. H. Mears, Union Life of Richmond; I. M. Sheffield, Jr., Life of Georgia; Ashley Tobias, Jr., Palmetto State Life; J. R.

Anthony, Jr., Suwannee Life, and Eldon Stevenson, Jr., National Life & Accident.

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Mutual Benefit Names

W. H. Elden at Duluth

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Indiana Commissioner Talks to Illinois Students

W. J. Davey, Indiana commissioner, told Illini Insurance Society at the University of Illinois that the individual states can help ward off federal regulation by greater cooperation with the recommendations of National Assn. of Insurance Commissioners. He said the federal government stays out of insurance regulation in the various states now in accordance with public law 15, but warned that that law is a "gentlemen's agreement" which can be changed any time by congress.

Mr. Davey made a number of suggestions for helping states in improving their supervision over the insurance industry. He said the states should provide an adequate budget for the administrator to run his department and employ a good assistant. He called for closer insurance liaison with the legislatures. He said the states should provide a good framework of insurance company investment laws and see that they are followed. Mr. Davey also recommended sound agency qualification laws administered properly. He said the state should require that every type policy be examined by the insurance department before a company sells it so that it is sure the policy conforms to state law. This, he said, requires that the examiner of such policy be a thoroughly trained person.

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Old Line Life Sales up 74%

Old Line Life had life sales of \$5,234,146 in the first three months of 1956, an increase of 74% over the same period last year. A&S sales also were up considerably. The company's life in force now stands at \$174,462,743.

New agencies at Chicago, Aberdeen, S. D., and Wausau, Wis., produced 20% of the company's total life sales for the first quarter of 1956.

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Illini Insurance Society is composed of upper class students at the University of Illinois who are majoring in insurance.

HIAA Appoints Lawyer

Health Insurance Assn. of America has appointed Alec Mackenzie an attorney on the legal staff at Chicago.

Mr. Mackenzie has been with a law firm in Chicago. He previously was executive secretary of Young Republican National Federation and legislative assistant to Sen. Wiley of Wisconsin.

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New agencies at Chicago, Aberdeen, S. D., and Wausau, Wis., produced 20% of the company's total life sales for the first quarter of 1956.

Hancock Holds Sales Seminar

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NAIC Seeks Showdown on FTC Jurisdiction

(CONTINUED FROM PAGE 1)

pital case, and invited the company's attorney, J. D. Wheeler, to sit in with them. Mr. Wheeler said he was reluctant to ask for a rehearing, feeling the record as it stands is a good one to appeal. Thus, Mr. Knowlton said, NAIC abandoned the idea of seeking a rehearing.

It was decided not to go to Congress, he explained, mostly because of the time element. Congress is anxious to adjourn in an election year and it is no sure thing a bill could be put through in time; and in the meantime there would be the chance of a wrong decision in the American Hospital case. Any bill in Congress would need the most careful preparation, he added, especially in view of the fact that most people thought PL15 was clear enough but still was interpreted strangely by FTC. It might be more proper for NAIC to exhaust the legal remedies before asking for legislation.

The decision, then, was to join with American Hospital in its appeal. The attorneys general of the states will be asked to file briefs as friends of the court which will present the state views on the question. Mr. Knowlton asked all the commissioners to advise their attorneys general of the case and get as many as possible to participate. There are some commissioners who have already talked this over with their attorneys general and have found them not aware of their roles of keeper and guardian of states rights, Mr. Knowlton said, and whenever this is discovered it is up to the commissioners to advise them.

As originally presented to NAIC, Mr. Knowlton's resolution read:

1. That this association go on record as disagreeing with and deplored the majority opinion of the federal trade commission in the American Hospital & Life Insurance Company case, which is contrary to the intent of Congress as plainly expressed in the McCarran act and constitutes an unwarranted assumption of power to regulate the business of insurance.

2. That a special subcommittee of the executive committee, consisting of five members, be immediately appointed by the present chairman of the executive committee, who shall himself be a member and the chairman thereof, to be known as the subcommittee on preservation of state regulation, and it is hereby authorized to take whatever steps it may find prudent and advisable in urging and facilitating action on the part of the several states in order to make certain that the jurisdictional issues raised by the aforementioned decision or by other similar decisions may receive full and complete review by the courts; and to consider these matters generally and return to this association whatever further and other recommendations it may deem desirable.

3. That this association hereby recommends that its individual members acquaint their respective attorneys general with the background and grave significance of the issues involved, and urge such attorneys general to take all necessary steps to the end that state regulation of the business of insurance may be preserved.

The nearness of the possibility of widespread government intervention in insurance, or even government regulation, dominated the greater part of the action taken at the annual meeting here. Accident and sickness insurance

had the spotlight because it is in the closest proximity to the burning question of regulation, having been taken under the wing of the federal trade commission.

Committee meetings beginning Monday morning were routine except for those having to do with A&S.

At the election Friday, C. Lawrence Leggett of Missouri will be succeeded as president by Robert B. Taylor of Oregon. Joseph A. Navarre of Michigan will move up from executive committee chairman to vice-president.

The state vs federal government jurisdiction issue hung over the whole convention. A&S insurance is primarily involved because of the FTC decision that it has jurisdiction over everything, but the question is on the priority list also in connection with pension and welfare funds, with flood insurance, nuclear reactor insurance, hurricane insurance, etc. NAIC probably will assert its rights to handle the pension and welfare funds, and will work with the industry to formulate some means of providing coverage in areas where the government has been showing interest.

The biggest crowds were at the committee meetings dealing with accident and sickness insurance, especially the interpretive guide to the NAIC rules for A&S advertising. One important action in relation to the interpretive guide was taken—it will not be a part of the official proceedings of NAIC and will not be adopted by the states as an official document. This will be done to keep the FTC from lifting what it could use of the guide as evidence in its cases against the insurers. Some language changes were made in the guide, but not those requested by the direct mail insurers. With the guide as an unofficial document, chief attention in the next six months will be devoted to making whatever amendments are necessary to the advertising code itself, and indications are that rules 1, 3, and 11 will be at the top of this agenda.

Amendments to the definition of group creditor life insurance were offered in the report of the subcommittee studying group life. The changes include making eligible for insurance debtors whose indebtedness is repayable either in installments or in a lump sum at the end of a period not in excess of 18 months from initial date of debt; adding a sentence saying "No debtor shall be eligible unless the indebtedness constitutes an obligation to repay which is binding upon him during his lifetime, at and from the date the insurance becomes effective upon his life."

In another change the definition allows policies to exclude from classes eligible classes of debtors determined by age.

The amount of insurance allowed on the life of any debtor is increased to \$10,000, with an allowance that the term may be extended by six months from 18 to 24 in the case of default, extension or recasting of the loan. The amount of insurance on the life of any debtor shall at no time exceed the amount of the unpaid indebtedness, or \$10,000, whichever is less.

These changes are needed, the report says, to permit group creditor insurance in the case of agricultural loans and certain other loans repayable in one sum, to recognize that age limits are being used and are essen-

tial to assure the soundness of group creditor life, and to give a better definition to "indebtedness."

The report notes it is well to distinguish between the desirability of clarifying indebtedness and the need for extending the definition to permit the writing of group life in connection with various kinds of savings projects and revocable purchase commitments which extend over a period of years. That should be considered separately on its merits. What is being done now, the report explains, is a strengthening of the present definition of group creditor life so the proper relationship between the eligible groups and the underwriting standards now provided can be maintained.

A total of 49 states, commonwealths and territories responded to the roll call of the first plenary session, either through their chief supervisory insurance official or an authorized representative, as President C. Lawrence Leggett of Missouri called the session to order.

The roll call was made by Hugh Tollack, assistant secretary of NAIC, in the absence, due to illness, of George A. Bowles of Virginia, secretary-treasurer of the organization.

Mr. Leggett named John Coppage, Maryland deputy, to serve as sergeant-at-arms, and Ben Franklin, deputy Louisiana, as his assistant.

Mayor Tucker of St. Louis gave an official welcome.

Mr. Leggett then took a little time to make his own address of welcome as the host supervisory official.

The concluding feature of the first plenary session was the presentation of commissions as admiral in the Great Navy of the State of Nebraska by Thomas R. Pansing.

Commissioners Duncan, Alaska; Davy, Indiana; Bennett, Iowa; Thurman, Kentucky; Pryatel, Ohio; Brownlee, Texas, and Rogan, Wisconsin, and two from the industry, Robert Z. Alexander, president American Automobile, and Powell B. McHaney, president General American Life, received commissions.

Commissioner McConnell of California declared his opposition to the unrestricted examination of individuals in connection with hearings by insurance commissioners at a meeting of the examinations, methods, practices and laws subcommittees of NAIC.

The subcommittee was considering the third draft of a proposed report of the subcommittee. Commissioner McConnell declared that the notices of all hearings by commissioners should be specific as to the scope of the hearing and the basis for it being held. He added no legislature would pass or a governor sign a law that would permit inquiries into the affairs of unidentified persons. He said the language of the report should be changed.

Subcommittee chairman Russell Hooker of Connecticut assured him there was no intention of permitting examinations into private affairs.

There was much discussion as to the acceptance of reports of certified public accountants in examinations of companies. It was indicated the commissioners might use such accountants in connection with examination but that it would not be right in principle to have the regular accountant for the company to make the examination of its affairs.

A. N. Guertin of American Life Convention, discussing appraisals of real estate, said that where such appraisals have recently been made by competent recognized appraisers, who are accept-

able to the commissioner, it should be necessary for a new appraisal for the examination. He said a summary of an examination report by the commissioner should be sufficient instead of requiring the reading of the entire report at a directors meeting. Vestal Lemmon of National Assn. of Independent Insurers said an examination report should not be considered prima facie evidence until it has been accepted by the commissioner and filed.

The Blue Cross-Blue Shield subcommittee took no action at its meeting, but in its report the recommendation was made that the committee be discharged and replaced with a permanent standing committee on non-profit hospital and medical service associations. Pending such action the report suggested a committee be named with full powers to "investigate, consider, and make recommendations as to all matters pertinent to the operation and management of such associations."

No changes in valuation of securities reserves from last year were called for in the valuation of securities subcommittee report to the parent committee. The report said the subcommittee had voted to express itself as favoring in principle the adoption of a program to extend stabilization to the valuation of preferred stocks held by life companies and fraternals, in conjunction with the development of a suitable security valuation reserve program. A. N. Guertin of American Life Convention asked if the subcommittee had reached any tentative conclusions on this matter and was told by Mr. Pansing that as far nothing has been done, and who it is the industry will be kept fully informed.

Mutual of N. Y. Names Peterson, Benton and Pelser as Managers

Mutual of New York has appointed Willis S. Peterson, Earl B. Benton and Arthur Pelser managers at Harris-



Willis S. Peterson



Arthur Pelser

burg, Pa., Sheridan, Wyo., and Winnipeg, respectively, effective July 1.

Mr. Peterson, who succeeds the late F. I. Neiderer, joined the company in 1946 and has been manager at Salt Lake City for six years.

Mr. Benton, who succeeds Claude R. Drown, who is resigning, joined the company in 1946 and has been manager at Winnipeg for four years.

Mr. Pelser, succeeding Mr. Benton, joined the company as a cashier trainee in 1947 and was named assistant manager at Winnipeg a year ago. He has been on the field training staff at the home office since March.

Mortgages Set Record

Real estate mortgages acquired by life companies in the first two months totaled a record \$1,210,000,000, up one-fifth, and brought total mortgage holdings to more than \$30 billion, up \$66 million since the first of the year and up \$3,643,000,000, in the year, according to Institute of Life Insurance.

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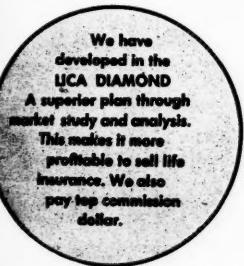
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